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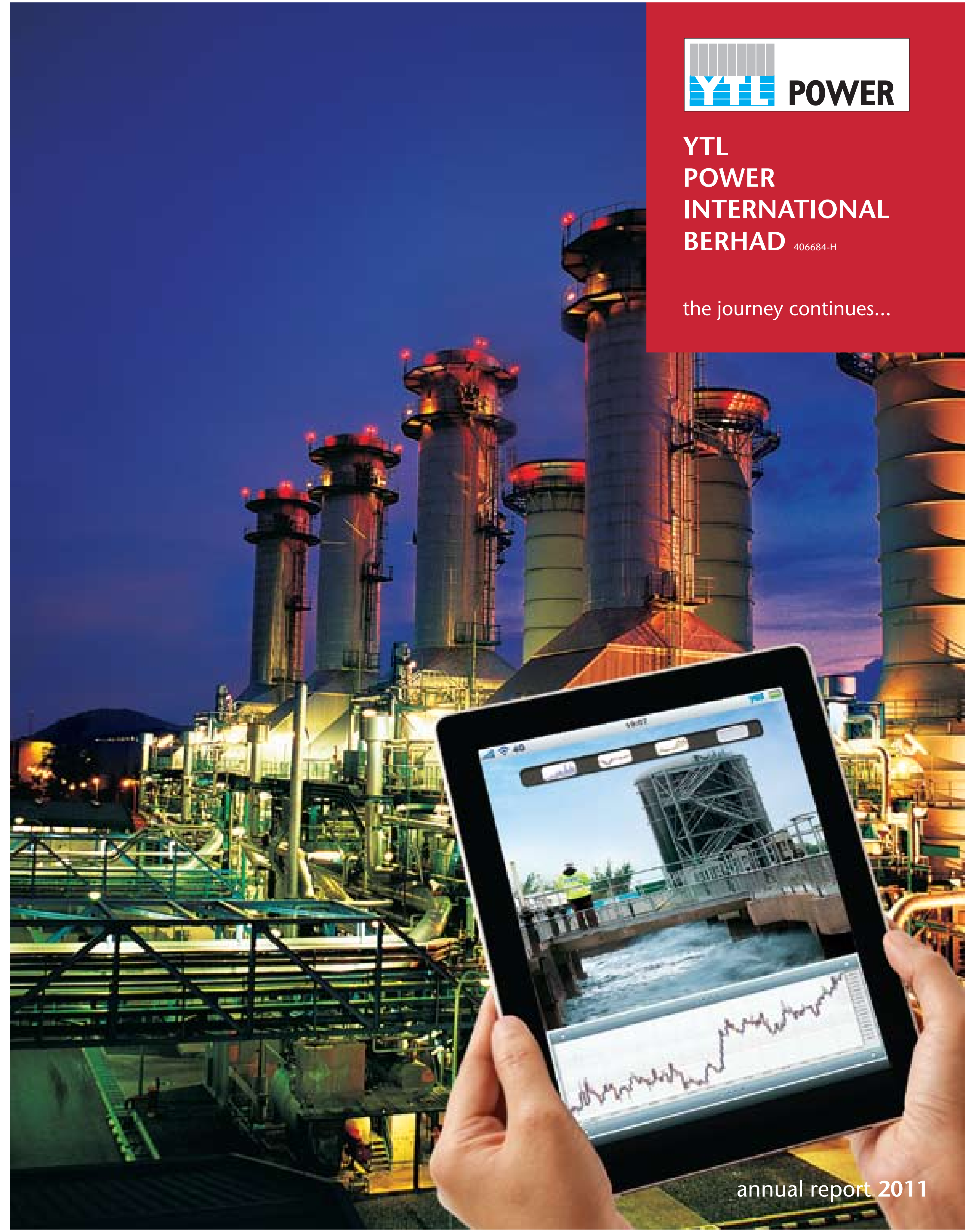
YTL POWER INTERNATIONAL BERHAD 406684-H

annual report 2011



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the journey continues...

annual report 2011

YTL POWER

YTL POWER INTERNATIONAL BERHAD

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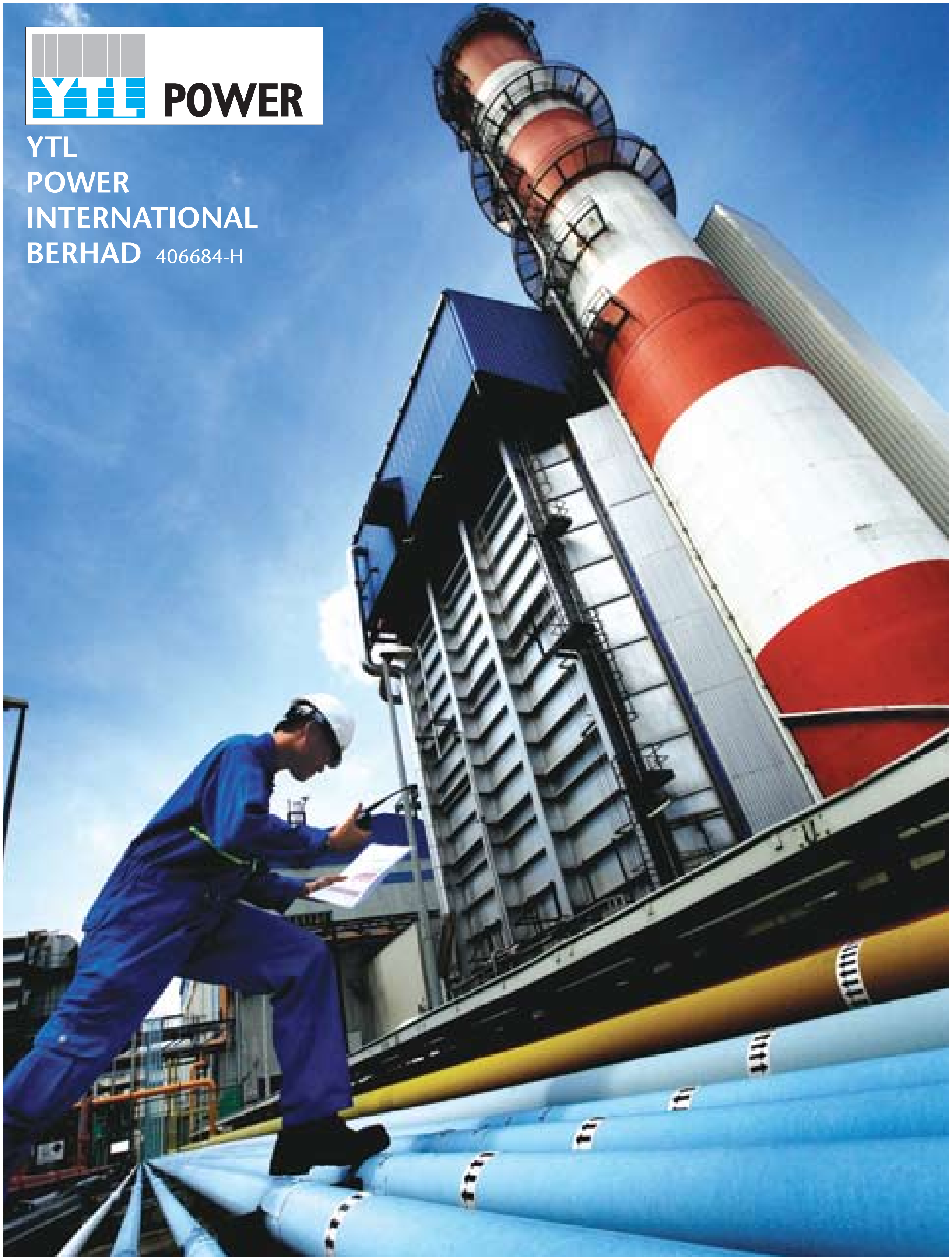

annual report
2011

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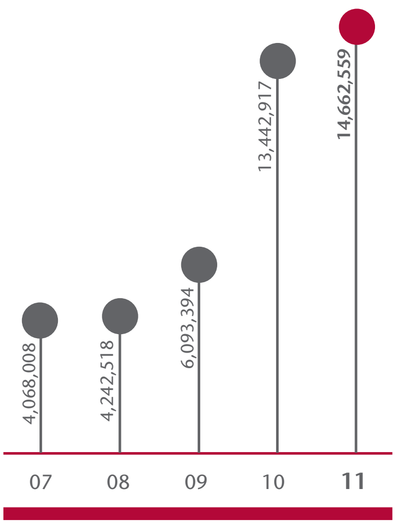
CORPORATE REVIEW

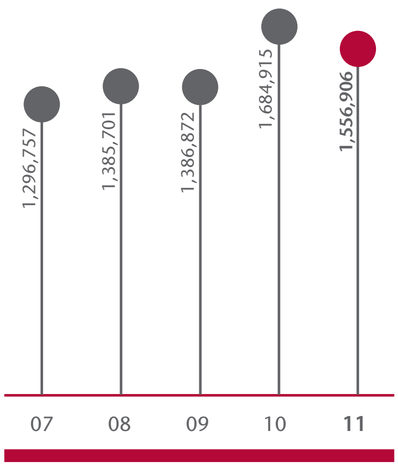
FINANCIAL STATEMENTS

Financial Highlights

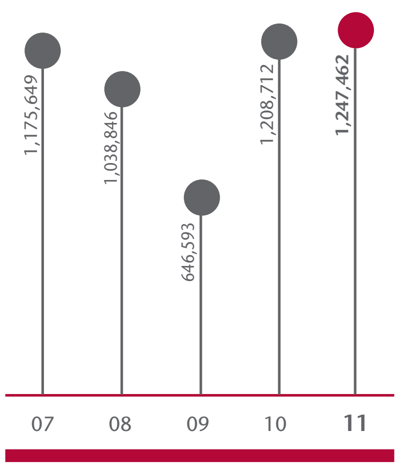
	2011	2010	2009	2008	2007
Revenue (RM'000)	**14,662,559**	13,442,917	6,093,394	4,242,518	4,068,008
Profit Before Taxation (RM'000)	**1,556,906**	1,684,915	1,386,872	1,385,701	1,296,757
Profit After Taxation (RM'000)	**1,247,462**	1,208,712	646,593	1,038,846	1,175,649
Profit for the Year Attributable to Owners of the Parent (RM'000)	**1,364,168**	1,208,838	646,605	1,038,846	1,175,649
Total Equity Attributable to Owners of the Parent (RM'000)	**8,513,279**	7,210,066	6,101,924	6,400,395	6,033,071
Earnings per Share (Sen)	**18.93**	18.60	11.35	20.00	23.53
Dividend per Share (Sen)	**9.39**	13.13	15.75	12.50	17.50
Total Assets (RM'000)	**35,245,784**	33,918,933	34,689,180	27,826,876	24,002,890
Net Assets per Share (RM)	**1.18**	1.00	1.04	1.21	1.18



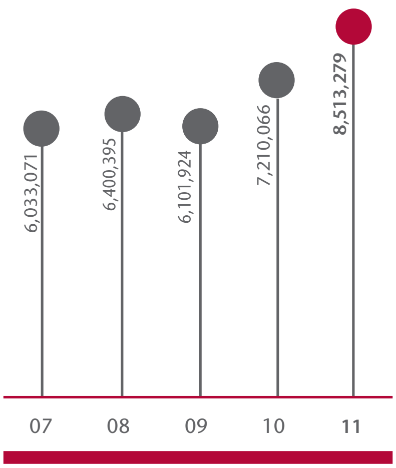
Revenue
(RM'000)



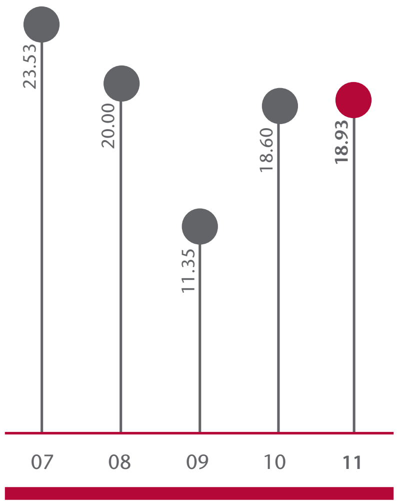
Profit Before Taxation
(RM'000)



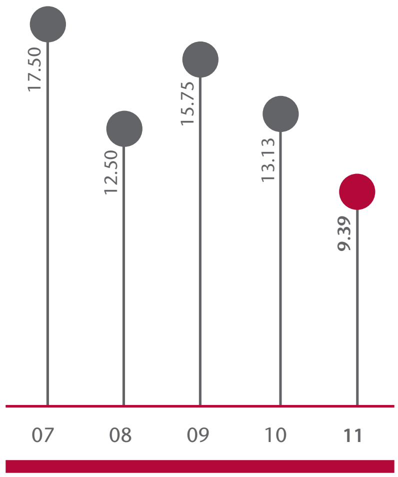
Profit After Taxation
(RM'000)



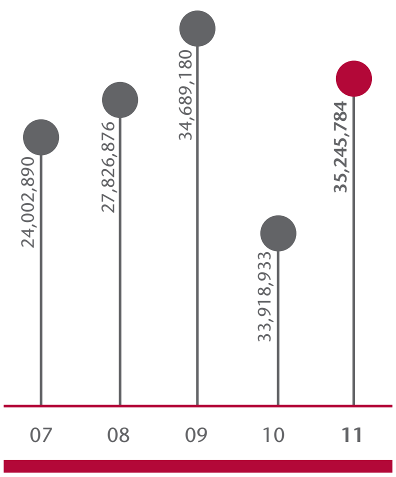
Total Equity Attributable to Owners of the Parent
(RM'000)



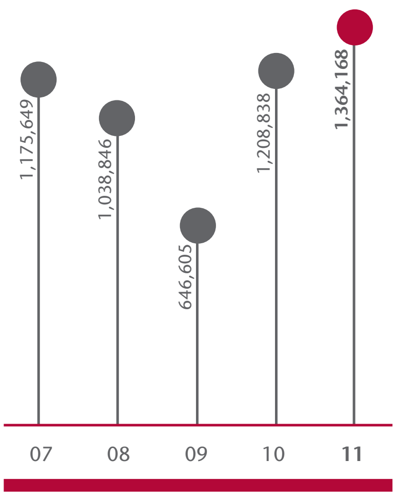
Earnings per Share
(Sen)



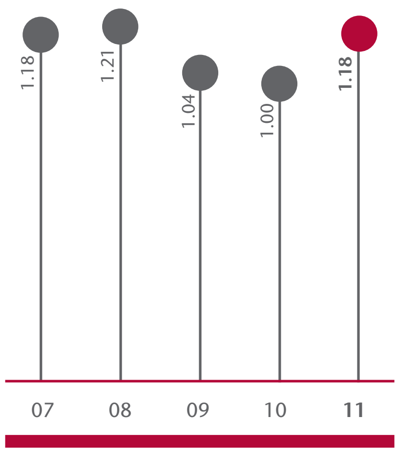
Dividend per Share
(Sen)



Total Assets
(RM'000)



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



Net Assets per Share
(RM)

"On behalf of the Board of Directors of YTL Power International Berhad ("YTL Power" or the "Company"), I have the pleasure of presenting to you the Annual Report and the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2011."

OVERVIEW

The Group delivered another solid set of results for the financial year ended 30 June 2011 bolstered by strong performances of its key utilities in the United Kingdom ("UK"), Singapore and Malaysia. YTL Power's foreign operations remain the most significant contributors to the Group's earnings, reinforcing the strength and diversity of the Group's earnings base.

Economic conditions in major markets remained volatile for the year under review. The Malaysian economy continued to recover during the second half of the 2010 calendar year to record gross domestic product (GDP) growth of 7.2% for the full year, whilst the first half of the 2011 calendar year has seen GDP growth of approximately 4.4%. In the other major economies where the Group operates, Singapore recorded growth of approximately 4.9% for the first half of the 2011 calendar year, whilst the UK economy saw growth of about 0.25-0.35% over the same period, marginally lower than 0.7% in 2010 *(source: Ministry of Finance quarterly updates; quarterly bulletins published by Bank Negara Malaysia, Monetary Authority of Singapore, Bank of England).*

In November 2010, the Group's subsidiary, YTL Communications Sdn Bhd ("YTL Comms"), launched its 'YES'-branded fourth generation ("4G") wireless network and, to date, has introduced an array of devices designed to enhance its customers' wireless high-speed mobile internet experience.

The Group also entered into an agreement with Japan's Marubeni Corporation in July 2011, enabling the latter to co-invest in the holding company of YTL Power's 35% interest in PT Jawa Power ("Jawa Power") in Indonesia. Marubeni Corporation is a leading utility owner and operator with extensive experience and assets in Japan and around the globe, and this venture forms the basis of a strategic partnership for the development of future opportunities and investments in the global utilities industry.

YTL Power's utility operations encompass power generation, power transmission, merchant multi-utility businesses and communications in Malaysia, Singapore, Indonesia and Australia, the provision of water and sewerage services in the UK, as well as power plant operation and maintenance ("O&M") expertise.

FINANCIAL PERFORMANCE

The Group registered a 9.1% increase in revenue for the financial year ended 30 June 2011 to RM14,662.6 million compared to RM13,442.9 million for the previous financial year ended 30 June 2010. Profit for the year grew to RM1,247.5 million for the year under review, an increase of 3.2% over RM1,208.7 million last year, whilst net profit attributable to shareholders grew 12.8% to RM1,364.2 million compared to RM1,208.8 million for the previous financial year ended 30 June 2010.

The growth in revenue and profit was due mainly to better performance by the Group's foreign operations. Operational performance remained steady for the financial year ended 30 June 2011, with the Group's key utility businesses comprising Wessex Water Limited ("Wessex Water") in the UK, PowerSeraya Limited ("PowerSeraya") in Singapore and YTL Power Generation Sdn Bhd ("YTLPG") in Malaysia, continuing to turn in strong performances.

Dividends

YTL Power declared four interim dividends in respect of the financial year ended 30 June 2011, comprising an interim dividend of 7.5% or 3.75 sen per ordinary share of RM0.50 each and three interim dividends of 3.75% or 1.875 sen per share. YTL Power's total dividend in respect of the 2011 financial year amounted to 9.375 sen or 18.75% per share. Therefore, the Board of Directors of YTL Power did not recommend a final dividend for the financial year ended 30 June 2011.

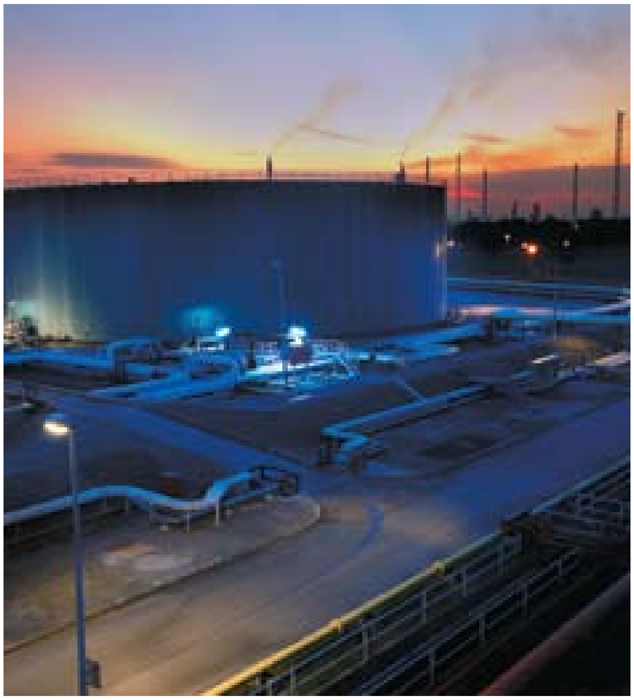
This is the 14th consecutive year that YTL Power has declared dividends to shareholders since listing on the Main Market of Bursa Malaysia Securities Berhad in 1997, and this year's dividends are well in line with the Group's policy of creating value for shareholders through a sustainable dividend policy which delivers dividend yields that are much higher than prevailing interest rates.

CORPORATE DEVELOPMENTS

On 16 February 2011, YTL Comms completed the acquisition of a 100% equity interest in Extiva Communications Sdn Bhd ("Extiva"). Extiva is principally involved in developing and marketing VoIP (voice over Internet protocol) telephony and other advanced network media applications for the service provider and enterprise telephony markets and its operations complement YTL Comms' existing 4G wireless network services.

On 29 April 2011, YTL Jawa Power Holdings Limited ("YTL Jawa Holdings"), a wholly-owned subsidiary of YTL Power, completed the acquisition of a 30% stake in Enefit Jordan BV ("Enefit"). Enefit is the holding company of two wholly-owned project companies developing an oil shale mining and shale oil production project and an oil shale fired power project at Attarat Um Ghudran in Jordan. The two projects are currently at a preliminary development stage, including evaluation of oil shale deposits and project agreement discussions with the relevant authorities.

On 7 July 2011, YTL Power and YTL Jawa Holdings entered into to a share purchase agreement with Marubeni Corporation and its wholly-owned subsidiary, Aster Power Holding BV, relating to the sale of 7,714 ordinary shares of €1.00 each and certain company interests representing a 15/35 or 42.86% equity interest in YTL Jawa Power Holdings BV. The sale was completed on 15 August 2011. YTL Jawa Power Holdings BV is the holding company for the Group's 35% equity interest in Jawa Power, the owner of a 1,220-megawatt (MW) power station located at the Paiton Power Generation Complex in Java, Indonesia.



REVIEW OF OPERATIONS

Power Generation, Power Transmission & Merchant Multi-Utilities

The Group's power generation (in both contracted and merchant markets), power transmission and merchant multi-utility businesses are carried out by its 100% stakes in YTLPG in Malaysia and PowerSeraya in Singapore, as well as an effective equity interest of 20% in Jawa Power in Indonesia and an indirect investment of 33.5% in ElectraNet Pty Ltd ("ElectraNet") in Australia.

YTLPG, Malaysia

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

Overall plant availability remained as good during the year under review with 96.43% at Paka Power Station and 93.29% at Pasir Gudang Power Station. During the year, combined power production by both stations was 97.51% of the scheduled quantities.

At Pasir Gudang Power Station, major maintenance was carried out on two turbines – Gas Turbine 12 and Steam Turbine 10 – at the inspection milestone of 100,000 equivalent operating hours. Maintenance on the turbines was performed simultaneously in order to minimise outage during the year. Control panels for the start-up frequency converter and static excitation equipment for the Gas Turbine 11 generator were also upgraded and high voltage bushings for the generator transformer were changed from the obsolete oil-filled porcelain type to the latest environmentally-friendly oil-free silicon model.

Meanwhile, Paka Power Station installed the latest and most efficient HR3 burners for Gas Turbines 11 and 12 during the 133,000-hour inspection milestone. Minor inspections were also done on the other two gas turbines at the station.

During the year, YTLPS achieved the Quality Management Excellence Award 2010 from the Malaysia Productivity Council, the highest recognition for quality excellence in Malaysia. The company is compliant to PAS 99 Integrated Management System, which comprises ISO 9001:2008 (Quality Management System), OHSAS 18001:2007 (Occupational Health and Safety Management System) and ISO 14001:2004 (Environmental Management System).

PowerSeraya, Singapore

Despite a competitive operating environment and volatile oil and currency markets over the financial year, PowerSeraya was able to maintain its leading position, with a generation market share of 28%, the highest amongst Singapore's generation companies. PowerSeraya sold 11,987 gigawatt hours (GWh) of electricity for the year under review, representing an 8.4% increase compared to the 2010 financial year on an annualised basis. With prudent bidding and hedging strategies, the company was able to continue providing cost-competitive products to its customers.

In May and June 2011, PowerSeraya also supplied electricity to Malaysia's largest electricity group, Tenaga Nasional Berhad, in the first-ever commercial sale of power supply from Singapore to Malaysia.

The completion and official launch of PowerSeraya's 800 MW Co-Generation Combined Cycle Plant ("CCP") in October 2010 marked a significant milestone. Replacing three oil-fired steam units, the CCP produces electricity and steam simultaneously with higher efficiency and reliability, and the availability of steam through the CCP has also enabled PowerSeraya to supply high pressure steam to neighbouring customers on Jurong Island. With one steam customer currently on board – Petrochemical Corporation of Singapore – the company continued to grow its customer base in steam sales and will be supplying steam to its second customer in February 2012.

Meanwhile, in June 2011, PowerSeraya's chemical laboratory was accredited with ISO/IEC17025:2005 SAC-SINGLAS Accreditation, which is a national scheme that evaluates the technical competence of testing and calibration laboratories based on the general requirements of ISO/IEC 17025 and the specific technical requirements of each field. This achievement made PowerSeraya the first power generation company in Singapore to be accredited in fuel oil and water and listed on the SAC-SINGLAS directory. The Singapore Accreditation Council (SAC) is the national agency for accreditation of conformity assessment bodies and operates under the aegis of the Standards, Productivity and Innovation Board, a non-profit statutory board of Singapore's Ministry of Trade and Industry.

In order to improve plant reliability and extend the lifecycle of its plants, PowerSeraya also completed major overhaul projects for two blocks of combined cycle power plants at the 75,000-equivalent operating hour mark during the financial year under review.

On the retail front, PowerSeraya continued to maintain its market leader position with a market share of 28.3% amongst local retailers. With a high demand of electricity over the year, the company captured market opportunities by focusing on offering varied electricity price plans to cater to different business needs. Amongst the initiatives launched during the year was a long-term product plan that facilitates renewals in order to enable better management of portfolios. As a result, overall retail units sold for the financial year stood at 7,714 GWh, a slight increase over the annualised figures of 7,658 GWh last year. The retail division also enhanced customer engagement by conducting training sessions on its e-portal, SEnergy, and providing regular email updates on electricity market conditions. Moving forward, the retail arm will look at service differentiation in order to further improve customer experience.

While the market volatility and slow growth in the industry during the year under review contributed to a challenging year, PowerSeraya's trading and fuel management division continued its strong contributions to the company, helped mainly by its physical oil trading and tank leasing business activities. Leveraging on its terminal facilities located at the petrochemical hub of Singapore and cargo handling activities, the division completes PowerSeraya's energy value chain. During the year under review, the division leased out a total storage tank capacity of up to 270,000 metric tonnes. The division also has its own oil blending tanks, which have a capacity of 25,000 cubic meters that complements its existing storage tank capacity of 860,000 cubic meters. In addition, retrofitting works were carried out on the existing oil storage and jetty facilities for greater operational efficiency.

Jawa Power, Indonesia

Jawa Power is the owner of a 1,220 MW coal-fired thermal power station consisting of two electricity generation units with a net installed capacity of 610 MW each. The plant is located at the Paiton Power Generation Complex on Indonesia's most developed and populated island, Java, and supplies power to Indonesia's national utility company, P.T. Perusahaan Listrik Negara (Pesero) ("PLN"), under a 30-year power purchase agreement. O&M for Jawa Power continues to be carried out by P.T. YTL Jawa Timur, a wholly-owned subsidiary of YTL Power, under a 30-year agreement.

For its financial year ended 31 December 2010, Jawa Power posted another year of strong operational performance with average availability of 89.49%, well in excess of the 83% rate contracted under its power purchase agreement. The station generated 8,410 GWh of electricity compared to 9,105 GWh last year for its sole offtaker, PLN. The lower generation was due to Indonesia's shift in demand to hydro power in view of high rainfall in the country. For the six months ended 30 June 2011, the plant posted availability of 89.55%.

ElectraNet, Australia

In Australia, ElectraNet continued to perform well during the year under review. ElectraNet is a regulated transmission network service provider in Australia's National Electricity Market ("NEM") and owns South Australia's high voltage electricity transmission network, which transports electricity from electricity generators to receiving end-users across the state.

ElectraNet's network covers approximately 200,000 square kilometres of South Australia via more than 5,700 circuit kilometres of transmission lines and 76 high voltage substations. The company also provides the important network link from South Australia to the NEM via two regulated interconnectors, one of which is owned by ElectraNet. YTL Power also has a 33.5% investment in ElectraNet Transmission Services Pty Limited, which manages ElectraNet's transmission assets.

ElectraNet is regulated by the Australian Energy Regulator which sets revenue caps based on the company's expected capital expenditure requirements for a five-year regulatory period. The current revenue cap became effective on 1 July 2008 and is valid for a period of five years until 30 June 2013.

Water & Sewerage Operations

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

Wessex Water continued to maintain its position as one of the most efficient and profitable water and sewerage companies in the UK despite challenging economic conditions during the year under review. Overall, Wessex Water provided the highest levels of service in the industry, leading Ofwat's new service incentive mechanism (SIM), an independent survey of customer experience. Ofwat is the independent economic regulator for the UK water industry.

The company also retained its UK government standard Customer Service Excellence award for its approach to customer service and continues to have the best overall package of customer guarantees in the industry.

Despite the prolonged sub-zero conditions and snow cover during December 2010 in its operating region, the company reduced leakage from 74 megalitres per day (ML/d) to meet its new target of 71ML/d, despite the end-December thaw which caused an unprecedented overnight increase in leakage with the instantaneous minimum night flow rising by 90ML/d – a doubling of leakage overnight.

Once again, compliance with drinking water standards exceeded 99.9% and compliance with sewage discharge consents continued to be 100%. Wessex Water's compliance with the European Union's mandatory bathing water standards also stood at 100% whilst compliance with the stricter standard that will come into force in 2015 was 87.2%.

Wessex Water's sewage treatment quality and improvement programme saw the completion of schemes to reduce pollution from storm overflows in Weymouth and the installation of equipment at 45 sites to record when storm overflows are operating. In addition, a major pumping station upgrade was completed at Newstead Road in Weymouth to increase capacity and improve the security of supply to Weymouth and Portland, including the site of the 2012 Olympic sailing events.

During the year under review, work began on a regional water grid which will improve the security of supply to customers and meet quality and quantity requirements for water over the next 25 years. This multi-purpose project will be the largest ever carried out by Wessex Water and will include new trunk mains, new service reservoirs and new and improved pumping stations across Dorset, Somerset and Wiltshire. Construction is expected to start in 2013 and continue through to 2018. Once complete the new grid will improve the security of supply to customers, even in the event of a catastrophic source failure, meet customer demands for water over the next 25 years, meet the reductions in abstraction licences required by the UK Environment Agency to improve flows in some rivers and protect their ecology, and deal with deteriorating raw water quality, particularly increasing concentrations of nitrates at some groundwater sources.

Work has also commenced at Weston-super-Mare sewage treatment works under a £26 million scheme to improve secondary treatment and storm storage to meet the requirements of the revised European Union Bathing Water Directive. The improvement work will be completed two years in advance of the new directive and involves increasing the secondary treatment and ultraviolet disinfection capacity which will improve the quality of discharges from the works.

Wessex Water's regulated asset base increased moderately by 5.9% to £2,396 million (RM11.7 billion, based on an exchange rate of £1.00 : RM4.90) for its regulatory year ended 31 March 2011, compared to £2,262 (RM11.1 billion) for its previous regulatory year.

Communications

The Group's communications operations in Malaysia are carried out by YTL Comms, a 60% subsidiary of YTL Power. Pursuant to the approval from the Malaysian Communications and Multimedia Commission to operate a 2.3 gigahertz (GHz) wireless broadband network in Malaysia, YTL Comms launched and commenced commercial operations of its 'YES'-branded converged nationwide 4G network in November 2010.

The network offers high-speed mobile internet with voice services covering approximately 65% of Peninsula Malaysia and interconnects with all other voice networks (both mobile and fixed line) so YES is able to offer a converged voice and data service to its customers. YTL Comms' partners include some of the most advanced global technology pioneers in their respective fields, including Cisco (for core network services and business and operational support systems), Clearwire (for technology advisory), GCT Semiconductor (for 4G chip solutions), Samsung (for the supply of radio access network, Internet protocol (IP) multimedia systems and 4G-enabled devices) and Telekom Malaysia Berhad (for the provision of backhaul infrastructure).

YTL Comms offers a differentiated service in terms of its 'pay-as-you-use' structure, which provides customers with the option to utilise the network without committing to a fixed-term contract, and a platform which provides customers with mobility, a high-speed broadband network, nationwide coverage and interchangeability of devices.

YES does not rely on the standard Subscriber Identity Module ("SIM") card and instead uses a user identification protocol and a telephone number that works across all YES-enabled devices. This SIM-less service, together with Yes Life, the system's unified communications application, effectively turns any device that connects to the Internet (whether through wireless fidelity ("WiFi"), third generation (3G) or the YTL Comms 4G network) into a phone, thereby enabling a number of devices to be simultaneously connected to the network, giving users the option to access the Internet and send and receive telephone calls, emails and short messaging services (SMS) on mobile phones, personal or tablet computers or laptops globally.

YTL Comms has also formed the 4G Innovation Network, in cooperation with its partners. The 4G Innovation Network in Malaysia is linked to Clearwire's Innovation Network in Silicon Valley and is designed to facilitate the free flow of ideas and information and the development of content across borders, expanding the ecosystem to link Malaysian and other Asian developers directly with their counterparts in Silicon Valley.

A comprehensive portfolio of 4G devices has been launched to date, including the YES Go (4G USB dongle), the Huddle (4G mobile router that can connect up to five devices to the YES network simultaneously), the Buzz (mobile cloud phone) and the Zoom (WiFi router designed for home and office use).

FUTURE PROSPECTS

The Group remains committed to developing and expanding its core multi-utility capabilities, supported by its technical know-how and O&M expertise, to ensure the Group's ongoing growth and development. YTL Power's financial profile is underpinned by a focus on stable and efficient operations and the steady, long-term returns generated from its core utility assets, which will continue to form the foundation of the Group's future growth.

The Malaysian economy is expected to continue to record moderate growth in most sectors and domestic demand is expected to remain resilient, registering GDP growth between 5-5.5% for the full 2011 calendar year. Growth in major international economies is expected to remain positive, although concerns over factors such as fiscal and debt conditions in several advanced economies, high commodity prices and global supply chain disruptions continue to contribute to create uncertainty and impact overall confidence *(source: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports).*

As recent years have demonstrated, the utility-based nature of the Group's operations, coupled with its operational and financial prudency, have provided a significant buffer against global economic fluctuations. Nevertheless, YTL Power will remain focused on increasing operational efficiency, further reinforcing its financial strength and enhancing shareholder value.

APPRECIATION

The Board of Directors of YTL Power wishes to take this opportunity to place on record the Group's deep appreciation for the invaluable guidance of the late YBhg Mej Jen Dato' Haron Bin Mohd Taib (B), who served as an Independent Non-Executive Director on the Board for almost fifteen years until he passed away on 17 August 2011.

The Board welcomes YBhg Dato' Yusli Bin Mohamed Yusoff who was appointed as an Independent Non-Executive Director on 4 October 2011.

We wish to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff of the Group for their efforts in enabling YTL Power to deliver another year of strong performance.

TAN SRI DATO' SERI (DR) YEOH TIONG LAY
PSM, SPMS, DPMS, KMN, PPN, PJK

20 OCTOBER 2010

LAUNCH OF 800 MW CO-GENERATION COMBINED CYCLE PLANT

PowerSeraya Limited, a wholly-owned subsidiary of YTL Power International Berhad, officially launched its newest 800 megawatt (MW) natural gas-fired co-generation combined cycle plant, which is capable of producing electricity and steam at higher rates of efficiency.

(Top) From left to right: John Ng, Chief Executive Officer of PowerSeraya Limited; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Power International Berhad; Dr Yaacob Ibrahim, Singapore's Minister for Information, Communications and the Arts; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Power International Berhad

(Bottom) From left to right: Stuart Glen, President & Chief Operating Officer of Parsons Brinckerhoff; Jung Yeong Joo, Chief Executive Officer of Samsung; John Ng; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay; Dr Yaacob Ibrahim; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping; Dato' Yeoh Seok Hong, Executive Director of YTL Power International Berhad; and Dr Ranier Hauenshchild, President of Energy Solutions, Siemens

26 OCTOBER 2010

ECS PARTNERSHIP TO DISTRIBUTE 4G NETWORK

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, formalised an exclusive distributorship deal with a subsidiary of ECS ICT Berhad (ECSB), a leading distribution hub for information and communications technology (ICT), to distribute YTL Communications' 4G devices through ECSB's nationwide ICT channel in Malaysia.

From left to right: Wing K. Lee, Chief Executive Officer of YTL Communications Sdn Bhd; Dato' Yeoh Seok Hong, Executive Director of YTL Power International Berhad; Dato' Teo Chiang Quan, Chairman of ECS ICT Berhad; and Foo Sen Chin, Managing Director of ECS ICT Berhad

15 NOVEMBER 2010

COLLABORATION WITH RTM AND PRIMEWORKS

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, signed agreements with Radio Television Malaysia (RTM) and Primeworks Studios Sdn Bhd to further enhance the local television experience and propel Malaysia into a regional digital broadcast hub. Primeworks Studios is Malaysia's biggest production company and a wholly owned subsidiary of the Media Prima Group, Malaysia's leading integrated media investment group. Under the agreements, YTL Communications will work towards hosting RTM's and Media Prima Group's channels and local content on its next generation television service.

From left to right: Datuk Ibrahim Yahaya, Director General of RTM; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Power International Berhad; and Dato Amrin Awaluddin, Director of Primeworks Studios Sdn Bhd and Group Managing Director of Media Prima Group

From left to right: Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Power International Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Power International Berhad; Tan Sri Dato' Haji Muhyiddin Yassin, Deputy Prime Minister of Malaysia; and Dato' Seri Utama Dr. Rais Yatim, Information, Communications, and Culture Minister of Malaysia

19 NOVEMBER 2010

LAUNCH OF YES, WORLD'S FIRST FULLY CONVERGED 4G MOBILE INTERNET SERVICE WITH VOICE

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, launched YES, its 4G wireless network with nationwide coverage across Peninsula Malaysia. YES is the world's first fully converged 4G mobile internet service with voice, offering customers mobility, a high-speed broadband network, nationwide coverage and interchangeability of devices.

5 JANUARY 2011

YES TRANSFORMS UNIVERSITI SAINS MALAYSIA INTO FULL 4G CAMPUS

YES successfully activated its campus-wide 4G network in the main campus of University Sains Malaysia (USM) in Penang, making the university one of the first completely 4G-enabled universities in the country and giving over 20,000 students access to seamless 4G broadband. Under its Education Partner Program (EPP) initiative, the Group aims to bring YES 4G converged mobile data and voice services to more than 400,000 students in all the public universities and selected private institutions of higher learning in Malaysia.

From left to right: Yasmin Mahmood, Director, YTL Communications Sdn Bhd; Dato' Sri Michael Yeoh Sock Siong, Executive Director, YTL Power International Berhad; Professor Tan Sri Dato' Dzulkifli Abdul Razak, Vice-Chancellor of Universiti Sains Malaysia; and Wing K. Lee, Chief Executive Officer, YTL Communications Sdn Bhd, at the signing ceremony

29 APRIL 2011

ACQUISITION OF 30% STAKE IN ENEFIT JORDAN BV

YTL Jawa Power Holdings Limited, a wholly-owned subsidiary of YTL Power International Berhad, completed its acquisition of a 30% stake in Enefit Jordan BV, which is developing an oil shale mining and shale oil production project and an oil shale fired power project at Attarat Um Ghudran in Jordan. The two projects are currently at a preliminary development stage, including evaluation of oil shale deposits and project agreement discussions with the relevant authorities.

From left to right: Alo Kelder, Head of Business Development, Eesti Energia AS; Yeoh Keong Hann, Manager, YTL Power International Berhad; Harri Mikk, Member of the Management Board, Mineral, Oils, Biofuels, Eesti Energia AS; Dato' Yeoh Seok Hong, Executive Director, YTL Power International Berhad; Sandor Liive, Chairman of the Management Board and Chief Executive Officer, Eesti Energia AS; and Mohammad Maaitah, Vice President, Near East Engineering Company

From left to right: Dato' Yeoh Seok Hong, Executive Director, YTL Power International Berhad; and Masumi Kakinoki, Chief Operating Officer, Power Projects & Infrastructure Division, Marubeni Corporation, at the signing ceremony

7 JULY 2011

STRATEGIC PARTNERSHIP WITH MARUBENI

YTL Power International Berhad and Marubeni Corporation entered into a share purchase agreement enabling Marubeni to co-invest in YTL Jawa Power Holdings BV, the company which holds the Group's 35% equity interest in PT Jawa Power, the owner of a 1,220 megawatt power station in Indonesia. Under the agreement, Marubeni acquired a 15/35 or 42.86% equity stake and other company interests in YTL Jawa Power Holdings BV.

11 JULY 2011

4G COLLABORATION WITH UQ COMMUNICATIONS

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, signed a Memorandum of Agreement with Japan's leading WiMAX broadband service provider, UQ Communications, to further enhance both entities' leadership positions in the 4G space and to advance the development and adoption of next-generation WiMAX technologies.

Wing K. Lee, Chief Executive Office of YTL Communications Sdn Bhd (4th from right), with Akio Nozaka, president of UQ Communications (6th from right), witnessed by (from far right) Yeoh Keong Hann, Manager, YTL Power International Berhad; Jacob Yeoh Keong Yeow, Director, YTL Communications Sdn Bhd; Dato' Yeoh Seok Hong, Executive Director, YTL Power International Berhad; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Power International Berhad; along with Fumio Watanabe, Chief Technology Officer, UQ Communications (on the right of Mr. Nozaka)

18 AUGUST 2011

YTL COMMUNICATIONS AND SENHENG ENTER PARTNERSHIP

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, and Senheng officially entered a partnership whereby YES products and services will be available at over 100 Senheng and SenQ outlets in Peninsula Malaysia. This partnership is mutually beneficial as YTL Communications is looking to expand its market presence by making its products available at more retailers, while looking at increasing sales of smart products with networking capabilities.

Wing K. Lee, Chief Executive Officer of YTL Communications Sdn Bhd (3rd from left) and Lim Kim Heng, Managing Director of Senheng (4th from left) with senior management from both companies at the signing ceremony

28 SEPTEMBER 2011

BROADBAND INFOVISION AWARDS 2011 – BEST NEW SERVICE AWARD FOR YES 4G NETWORK

YTL Communications Sdn Bhd emerged as the winner in the Best New Service Award category for its YES 4G network at the Broadband InfoVision Awards 2011 held in Paris. The Broadband InfoVision Awards have long been established as the industry's most prestigious recognition of excellence in the broadband marketplace, and YTL Communications was the only Malaysian company to have won an award this year.

Jacob Yeoh Keong Yeow (right), Director of YTL Communications Sdn Bhd, accepts the award on behalf of the company

YTL Power International Berhad ("YTL Power") and its subsidiaries (the "Group") continue to undertake initiatives and work towards improving the communities in which the Group's businesses operate, through educational, environmental and social programmes. Social responsibility and environmental sustainability are key values of the Group, and YTL Power places a high priority on acting responsibly in conducting its business.

As a multi-utility provider operating in Malaysia, the United Kingdom, Singapore, Indonesia and Australia, YTL Power believes it has a responsibility to ensure that its businesses are operated sustainably, to protect and preserve the resources on which its operations depend.

MALAYSIA

The Group's power generation operations in Malaysia are undertaken through two power stations owned by YTL Power Generation Sdn Bhd, a wholly-owned subsidiary of YTL Power, whilst its communications activities are carried out by YTL Communications Sdn Bhd ("YTL Comms"), a 60% subsidiary.

Reducing Environmental Impacts

The Group's two power stations in Paka, Terengganu, and Pasir Gudang, Johor, have a combined generation capacity of 1,212 megawatts (MW). The Paka and Pasir Gudang power stations are natural gas-fired combined cycle plants and incorporate a range of measures to eliminate or reduce operational releases and have been certified to the IS0 14001 (Environmental Management Systems) standard. Mechanisms are also being implemented on an ongoing basis to manage the plants' gaseous emissions, waste effluent, discharge cooling water and industrial scheduled waste.

YTL Power Scholarship Fund

The YTL Power Scholarship Fund was established to offer 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, information technology and accounting. During the year under review, 5 new scholarships were granted to students taking up places at the university.

Education Partner Programme

In 2010, YTL Comms launched the Education Partner Programme (EPP), an extensive initiative geared towards bringing fourth generation (4G) converged services offering data, voice and mobility to leading public and private universities in Malaysia. The Group is committed to supporting the Malaysian Government's National Broadband Initiative to increase the broadband household penetration rate across the country, with the aim of bridging the digital divide between the urban and rural communities, improving quality of life and supporting efforts to promote technological innovation, and the EPP is an initiative in pursuit of this goal.

Designed to cater to the growing needs of a tech-savvy, mobile, knowledge-thirsty and highly-innovative generation, the programme aims to provide new levels of interactivity between students and faculty via 4G intranet functionality and ease of access to information through 4G mobile internet services. Under the EPP, students enjoy high-speed, wireless broadband access from anywhere within their campuses. Each student has been provided converged data and voice services totalling 300 megabytes (MB) per user, per month, for a period of three years, free of charge.

This venture puts Malaysian campuses on the map as amongst the first worldwide to offer such ease of access to the most advanced internet technology available today.

Under the program, YTL Comms has signed agreements with Universiti Teknologi Malaysia (UTM), Universiti Tunku Abdul Rahman (UTAR), Universiti Putra Malaysia (UPM), Universiti Malaya (UM), SEGi University College (SEGi), Universiti Sains Malaysia (USM) and Kolej Tunku Abdul Rahman (TARC) to jointly deploy 4G networks throughout the universities' campuses.

The partnership with UTAR will empower 19,000 students throughout the university's campuses. YTL Comms will also work closely with UTAR to nurture the development of internet applications in the university's technology degree courses.

At UPM, the EPP is also set to take the institution's Ubiquitous Learning Environment (ULE) further, as it relies on the Malaysian Research and Education Network (MYREN), a high-capacity broadband network connecting universities, colleges, research organisations and scientific laboratories. UPM was one of the founders of this dedicated network, which provides a platform for creating research communities and encourages the exchange of ideas and collaborations with international partners.

SINGAPORE

The Group owns a 100% stake in PowerSeraya Limited ("PowerSeraya") which operates power generation and merchant multi-utility businesses in Singapore. PowerSeraya supplies almost 30% of the Singapore's electricity needs and recognises the key role it plays in addressing the country's energy security concerns, and achieving long-term sustainable growth through a balance between economic returns, its environmental footprint and its contributions to the communities in which it operates.

In October 2010, PowerSeraya won the 'Best Sustainability Report' award at the ACCA Singapore Awards for Sustainability Reporting for the second consecutive year. PowerSeraya won awards for 'Best Sustainability Report' and 'Best-First-Time Report' at the ACCA Singapore Sustainability Reporting Awards 2009, and was the first local company in Singapore to have achieved the highest standard in sustainability reporting with a B+ rating under the Global Reporting Initiative (GRI) framework, a global standard for sustainability reporting.

Community Development Programmes

PowerSeraya continues to support various community development and social outreach programmes, many of which the company has been involved in for a number of years and continues to develop and support on an ongoing basis to ensure the continuity of its efforts.

- **UPAGE Bursary & Endowment Funds**

  Over the last 2 years (2009 and 2010), PowerSeraya donated a combined sum of S$154,000 to the UPAGE (Union of Power and Gas Employees) Endowment Fund and the UPAGE Bursary Awards. The UPAGE Annual Bursary Awards are awarded to the children of UPAGE members, based on their academic performance and financial needs of the family. The UPAGE Endowment Fund was set up with the support of unionised companies under its care to provide an additional source of funds to help union members in the form of subsidies and benefits such as welfare grants and training and development courses.

- **Nithiah Nandan Book Prize**

  In 2010, book prizes worth S$1,000 each were awarded to two of PowerSeraya employees' children under the Nithiah Nandan Book Prize. Set up in 2007, this book prize was created in honour of the late Mr Nithiah Nandan, former executive secretary of UPAGE, for his support for 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 and/or who have made meaningful contributions to the community or the environment.

- **PowerSeraya Scholarship**

  The PowerSeraya Scholarship was set up in 2008 and each year, between two and six outstanding undergraduates from the Nanyang Technological University are selected to receive a bond-free scholarship worth S$8,000 per annum. In 2010, the company gave out scholarships to two undergraduates (pursuing degrees in accounting and chemical and biomolecular engineering). These scholars were also given internship opportunities at PowerSeraya.

  Scholars are chosen from students pursuing courses at the College of Engineering, College of Science and the Nanyang Business School from their second year of study. While students are selected primarily on their academic performance and curricular activities, those who have handled environmental projects or contributed significantly to the community are strongly considered for the scholarship programme.

- **Volunteering for Child@Street 11**

  Every year since 2005, PowerSeraya has participated in the social outreach programmes organised under the National Electricity Market of Singapore (NEMS). The last five years saw volunteers from the energy industry under the umbrella of NEMS organise outings for a group of children from Child@Street 11, a non-profit organisation which helps young children from low-income families. In 2010, volunteers from PowerSeraya went on an excursion with the children to Marina Barrage for a kite-flying session while in 2011, the company's volunteers accompanied the children to the Rainforest Kidzworld water playground in the Singapore Zoological Gardens.

- **SHARE Programme**

  PowerSeraya 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. Its support for the SHARE programme saw PowerSeraya being awarded the Bronze SHARE award in 2010. Currently, close to 60% of the company's employees participate in the SHARE programme. The Community Chest is a fund-raising arm of the National Council of Social Service with a purpose to ensure that every person within the society has the opportunity to live a life of dignity to his or her fullest potential.

- **Celebrating Christmas with the Metta Day Care Activity Centre**

  In 2010, PowerSeraya hosted guests from the Metta Day Care Activity Centre for the intellectually disabled to join in the company's Christmas celebrations. Christmas gift tags representing the wishes of the Metta individuals were chosen by employees to be fulfilled and ranged from items such as an industrial-sized cooker to chocolates. Guests from Metta were also treated to carolling performances as well as games organised by company staff.

Environmental Sustainability

- **Launch of High Thermal Efficiency Cogeneration Power Plant**

  PowerSeraya's 800 MW cogeneration plant was officially launched on 20 October 2010. The cogeneration plant is designed for increased thermal efficiency of up to 60% (a milestone efficiency achievement in the company's history) to deliver cleaner energy and steam to customers with higher reliability and availability. Utilising state-of-the-art technology, PowerSeraya is now able to harness waste heat produced from the electricity generation process in the plant and utilise water from its own SeaWater Reverse Osmosis (SWRO) Desalination Plant to produce high-pressure steam. This not only aligns with Singapore's Sustainable Development Blueprint's goal of achieving resource efficiency, but is also expected to decrease the company's overall carbon footprint by a further 10%.

  On 22 March 2011, the cogeneration plant was awarded the Most Technologically Advanced Power Plant of the Year at the Asia Power & Electricity Awards 2011. The award took into consideration the plant's ability to make capable use of technologies to produce electricity cost effectively, profitably and in an environmentally-sound manner.

- **Eco Office Label**

  PowerSeraya was presented the Eco Office Label at a presentation ceremony held on 16 February 2011. The Eco Office Label, awarded by the Singapore Environment Council, is given to companies that demonstrate good environmental practices in the office setting. Since its inception in 2005, 73 companies in Singapore have received the award and PowerSeraya is the first Singaporean power company to do so. The Eco Office Label certification is valid for two years (2010-2012), after which a re-certification is required.

- **Clean and Green Singapore 2010**

  PowerSeraya has been a sponsor of the Clean and Green Singapore event, the country's largest environmental event organised annually by the National Environment Agency (NEA), for three consecutive years. The launch of the event on 6 November 2010, which was graced by the Prime Minister of Singapore Lee Hsien Loong, saw the company sponsoring a game booth based on the theme of energy conservation. PowerSeraya also participated in the Schools' Carnival by sponsoring a booth for its adopted school Greenridge Secondary School to showcase their environmental initiatives. The Schools' Carnival is one of the significant events organised under the umbrella of Clean and Green Singapore, to raise environmental awareness among school children.

- **International Coastal Cleanup**

  On 18 September 2010, members of PowerSeraya's sustainability team led a group of 15 student volunteers from Singapore Polytechnic Environmental Club 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.

  This is the third year that PowerSeraya has collaborated with the Singapore Polytechnic Environmental Club. The clean-up operations, conducted along a 400-metre beach stretch along Singapore's Pasir Ris Park, resulted in 18 kilograms of debris items collected. Every debris item collected was recorded on a data sheet by the volunteers. Each year, the data is collated by the Raffles Museum of Biodiversity Research for Singapore and 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 event since its inception in 2007. In 2010, PowerSeraya's S$15,000 donation to this fund-raising run supported the works of environmental non-government organisations as well as social services charities, namely the Singapore Environment Council, the Singapore Institute of International Affairs, Nature Society Singapore, HCA Hospice Care, Amalgamated Union of Public Daily Rated Workers and the Rainbow Centre at Yishun Park School.

- **Responsible Energy Advocates Programme (REAP)**

  The pilot run of PowerSeraya's sustainability programme, REAP, was launched in June 2010. Jointly developed with partners the NEA and South West Community Development Council, REAP is the only 3P (Private, Public & People) sustainability programme that is centric on energy conservation and one that holistically integrates the education, community service and project work component to benefit students and the community in Singapore. The pilot run saw a batch of 15 students from different tertiary institutions in Singapore coming together to fulfil the Education, Community Service and Project Work components of REAP.

  The Education programme component comprises a four-day sustainability workshop where students go through a systems thinking exercise on sustainability. They later advance to the Community Service component where each student pair will help several households in the south west district save energy over a three-month period. The programme then culminates with students developing a project centred on energy conservation. The results of the pilot programme were encouraging with 60% of the households achieving energy savings during the 3-month monitoring period. Six projects ranging from topics on renewable energy for high-rise buildings and sustainable policies to biofuels for campuses were developed among the 15 students.

UNITED KINGDOM

The Group owns a 100% stake in Wessex Water Limited ("Wessex Water"), a water and sewerage provider in the United Kingdom ("UK"). Wessex Water operates over an area of about 10,000 square kilometres in the south of England, providing water to 1.3 million customers and taking away sewerage from 2.7 million customers daily.

During the year under review, on the conservation front, Wessex Water won a silver award at the Green Apple Environment Awards for its Partners Programme which supports environmental organisations throughout the region and aims to conserve and enhance wildlife. Since 1998, projects in Somerset, Dorset, Wiltshire, Hampshire and Bath have benefited as the initiative has helped to restore rivers, protect species under threat and tackle diffuse pollution as well as funding other conservation projects. Carbon management and accounting is a fundamental part of Wessex Water's central aspiration to become a genuinely sustainable water company, reflected in its long-term goal to become carbon neutral.

Wessex Water continued to make significant progress towards its aim of enhancing the environmental integrity and biodiversity of its region and also received an outstanding contribution award at the Wiltshire Wildlife Trust Corporate Green Awards for making the greatest positive impact on the environment in Wiltshire over a sustained period.

During the year under review, the company continued with action to reduce its emissions through avoidance measures, energy efficiency and increasing renewable energy generation. There are more than 300 efficiency projects in its energy management database, with an increasing number coming from the water production and supply side of its activities. Renewable electricity generation was also increased by a further 16% and investment in advanced digestion and work to maximise biogas production continues to benefit the company's renewable energy production, with its Bristol sewage treatment works continuing to export surplus electricity to the national grid when generation exceeds on-site demand.

Community Programmes

Wessex Water's work in the local community within its operating region includes the promotion of water efficiency, school visits to help educate children and support for local environmental projects.

A key ongoing programme focuses on helping customers to save one litre of water per property per day. A large proportion of these savings were achieved through the distribution of water saving devices for the home through a newly launched 'WaterSave' pack offered to customers on request. These free packs include a low flow shower regulator, a 'save a flush' device for toilets and a leaflet to help customers audit their own water use. In the past year, over 11,000 packs have been distributed to customers throughout the region.

The company's education advisors conduct school visits, giving lessons on practical activities that pupils and their families can carry out to save water in the home. During the year under review, education advisors visited over 13,000 pupils in schools or education centres providing resources to help pupils to promote water saving at home. This resource has been welcomed by teachers and expands the audience reached via these water conservation messages.

Engagement with customers is also done through summer shows and town tours around the region and through the water efficiency pages on the company's website. Public talks are given to inform groups and organisations on the wise use of water and promote the work of the development charity WaterAid. Wessex Water's website provides water saving advice and information on water saving products, and has a water use calculator that enables customers to compare their water use around the home with the regional average.

Wessex Water's Watermark award scheme supports local groups and individuals by proving funds for environmental and conservation projects around the Wessex region. In the last year, Wessex Water has donated over £11,000 to 30 green projects through the Watermark award scheme, in addition to supporting a number of charities working in its region. Where staff have raised money for good causes, Wessex Water also matches the amount of sponsorship raised through its Community PlusFund scheme.

Environmental Programmes

While a range of factors can affect the cleanliness of beaches and bathing waters, Wessex Water helps maintain the quality of local bathing waters, by carefully managing effluent and storm waters discharged from its sewerage assets. The recent trend of excellent bathing water quality within the Wessex Water region continued in the 2010 season achieving 100% compliance with the mandatory water quality standards for the seventh year in a row and 87% compliance with the revised Bathing Water Directive. This stricter guideline, when implemented in 2015, will tighten water quality standards and increase the availability of information about bathing water quality and beach facilities.

Work has begun to meet these new requirements in advance. This includes a £26m scheme at Weston-super-Mare sewage treatment works (STW) to increase secondary treatment, ultraviolet disinfection capacity and storm storage.

During times of intense rainfall sewers can become overwhelmed. These events can lead to the discharge of dilute sewage from combined sewer overflows into watercourses to prevent the flooding of property, highways and open. Wessex Water has recently launched a new online discharge notification system providing information on waste water spills near designated bathing waters across the whole of its region, and is the first UK water and sewerage company to do so. This system allows anyone to check if there has been a recent waste water discharge from a nearby combined sewer overflow, and is supported with online guidance and information to allow users to make informed choices when looking to enjoy these waters.

- **River and Reservoir Water Quality**

  Over the last year, Wessex Water began a series of investigations to better understand its impact on the freshwater environment. These include:

  - Monitoring rivers where abstractions have been reduced as a consequence of previous low flow investigations on the River Bourne, Hampshire Avon and Chittern Brook during 2005-10;
  - Investigating the effects of the company's abstractions on the Teffont Brook, Upper Hampshire Avon, Heytesbury Brook, Bere Stream and River Way;
  - Investigating nutrient cycles and phosphorus inputs at three of Wessex Water's reservoirs to ensure its Water Framework Directive targets are met, in addition to identifying any opportunities for operational optimisation; and
  - Trialling various media types in constructed wetlands to see how effective they are at removing phosphorus from final effluent.

  The first year of these projects has provided useful data that will be built on over the next two years as the company plans its future investment needs for the 2015-20 period.

  Wessex Water's expanding catchment management activities now cover 15 catchments where nitrate or pesticide pollution has an impact on raw water quality. A team of six agricultural advisors provides advice and work in partnership with farmers to help reduce the impact of agriculture on aquifers and reservoirs. By identifying and dealing with inputs at source, the company is able to provide a more sustainable and economic solution, as opposed to building new energy and chemical intensive end-of-pipe treatment processes.

- **Carbon Management**

  There have been great improvements in the water quality of coastal and inland waters in the UK and Wessex Water's drinking water standards remain some of the best in the world. These improvements have been necessary to meet increasingly tight quality standards and have been achieved using reliable processes; however the down side is that they are often energy and chemical intensive, with implications for its carbon footprint.

  Wessex Water has long recognised that significantly reducing its carbon footprint is essential, and has set itself an ambitious long term goal to become carbon neutral and track its emissions against the UK Climate Change Act's required emissions cut of 80% between 1990 and 2050.

To achieve this, the company has an ongoing carbon management strategy based on the hierarchy of emissions avoidance, energy efficiency and renewable energy. This combines specific carbon-cutting initiatives with a number of management measures to ensure carbon management is built into decision making and operational activity. As a result, carbon reporting and management is now much more central to its activities.

- **Energy Efficiency**

  There are more than 300 efficiency projects in Wessex Water's energy management database, with an increasing number coming from the water production and supply side of its activities. These include a pumping efficiency programme focused on identifying and rectifying inefficient pumps and systems in all parts of the business, installation of a micro water turbine at Sutton Poyntz water treatment works and identifying suitable locations for the installation of solar-PV systems.

  A project investigating the benefits of an advanced process control system at Holdenhurst STW proved successful and this new technology has now been implemented as standard operational practice at this site, producing excellent power reductions. The possibility of adapting similar controls at other sites is being investigated with further projects likely to be implemented next year.

  Refurbishment of aeration at Weymouth STW to reduce the amount of air being pumped into the disinfection process has resulted in significant power savings with an energy cost reduction of around £160,000 per annum. Advances in ultra-violet (UV) disinfection technology are also being reviewed and the efficiency of new lamps will be tested at this site to determine if further energy savings can be made.

- **Renewable Energy Generation**

  Over the last year, investment in advanced digestion and increased focus on the optimisation of digesters and maximisation of biogas production has had great benefits for Wessex Water's renewable energy production. This work has been led by GENeco, its waste to energy company, and one of the sites operated by GENeco, Bristol STW, is now a net exporter of energy to the national grid.

- **Biodiversity**

  As part of its wider commitment to improve environmental quality, Wessex Water have a responsibility to conserve and, where possible, enhance biodiversity on its landholding. This is being achieved by focusing on how existing sites are managed for conservation and by checking and monitoring engineering works to avoid damage to the environment during new developments.

  Specialist conservation management has now been introduced to a total of 50 sites, with each site having a specific management plan, detailing the special wildlife interest and relevant management measures. The management plans can involve simple grass cutting arrangements to special access measures to prevent disturbing bat roosts.

  Wessex Water has exceeded the national UK target for Sites of Special Scientific Interest (SSSI) on its landholding, with 96% of these sites achieving the favourable or unfavourable-recovering status. This has involved working with Natural England, tenants and directly managing SSSI designated operational sites.

- **Working for Wildlife**

  Last year saw the launch of our new five year project to support wildlife on some of Wessex Waters best sites. This work focuses on two key habitats and the associated species, namely, grasslands for invertebrates (including butterflies, bees and other insects), and woods and fields for birds and bats. During the year under review, surveys were started to identify the species at these sites, their numbers, and the way they use the land, which will help to focus future land management to maintain and encourage wildlife at appropriate locations.

- **Biodiversity Partners Programme**

  Through its Biodiversity Partners Programme, Wessex Water funds water-related conservation work to enhance biodiversity elsewhere in its region. Each year, £70,000 is divided among seven projects focusing on partnership working, science and research, and specific biodiversity benefits that support our core business. Projects being funded include:

  - River restoration and management of the chalk streams of the Hampshire Avon and its tributaries;

- An investigation of the links between land management and river water quality in the River Parrett, St Catherine's Valley and Hampshire Avon catchments and identifying sustainable practices that could improve water quality and biodiversity;
- Creation of 'climate corridors' to enable wildlife to move more freely, while restoring ecosystems and natural processes in the Brue Catchment; and
- Continued support for the establishment of tree sparrow populations across the Wessex region.

The Partners Programme provides further benefits to all parties involved by developing best practice, sharing data and information, and helping to meet the European Union's Water Framework Directive's long term goals of good water quality and ecological status.

INDONESIA

YTL Power has an effective equity interest of 20% in PT Jawa Power ("Jawa Power") which owns a 1,220 MW coal-fired power station in Indonesia. The Group also owns 100% of the plant's operation and maintenance company, PT YTL Jawa Timur ("Jawa Timur").

The Jawa Power station maintained its Green Rating under the Indonesian Ministry of Environment's Environmental Rating Programme (PROPER) for the fifth consecutive year. The Green Rating indicates that the company has implemented effective pollution control programmes and has successfully exceeded the requirements of environmental laws and regulations. The site still remains the only coal-fired power station that has received this rating and continues to be the benchmark for other coal-fired power stations in Indonesia. Jawa Power has also been certified to the ISO 9001:2008, OHSAS 18001:2007 and ISO 14001:2004 standards.

Environmental Programmes

Jawa Power and Jawa Timur have implemented several programmes in the operation of the plant to increase efficiency and reduce its overall carbon footprint, using the 'reduce, reuse, and recycle' approach.

- **Emissions Monitoring Systems**

  The station is equipped with a waste water treatment plant, which processes water utilised by the power plant before it is discharged into the sea. All process activities which can potentially pollute seawater are identified and assessed and control measures have been established to prevent the occurrence of pollution events. Discharge water quality from the power stations is continuously monitored by an on-line system and cross checked by independent laboratory sampling on a monthly basis.

  Atmospheric emissions from Jawa Power's plant come from two 220-metre chimneys, and comprise mainly of carbon dioxide, sulphur dioxide (SO2), nitrogen oxide and fine particles. The plant has consistently maintained generation efficiency figures which equal less carbon emissions per megawatt hour (MWh) of electricity generated. Efficiency figures have continued to improve despite the aging of the power station, maintained by implementing good operation and maintenance practices, periodic performance tests, efficiency monitoring and thorough work improvement teams to explore initiatives for efficiency improvement.

- **Waste Management**

  The station continues to recycle its fly ash, a by-product of the coal-fired generation process, at a rate of over 98% by supplying it to construction and cement plants, which utilise fly-ash in the manufacturing process. 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 78% of specific waste being recycled in 2010.

- **Energy Conservation**

  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 by approximately 800 to 1,000 MWh per month. FGD is the technology used to remove 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.

- **Plantation Programme**

  The station's plantation programme saw the planting of around 9,000 trees during the 2010 calendar year. The programme focuses on reforestation and the planting of mangroves, which improve water quality due to their ability to absorb organic pollutants, and also prevent soil erosion. The re-forestation programme is a joint effort with the local environmental authority, whereby Jawa Power and Jawa Timur contribute trees and soil fertilizer, whilst the local authority provides forestry area to be re-planted.

- **Green Campaign**

  Jawa Power's ongoing Green Campaign begins from World Environmental Day on June 5 each year and continues for a period of 3 months. The campaign is intended to promote environmental awareness amongst employees and their families and focuses on reducing paper usage, improving waste management and promoting electricity and water savings.

  The Green Campaign also extends to schools in Probolinggo regency to raise awareness amongst teachers and students. During the year, Jawa Timur, supported by the Probolinggo local authority, conducted a Green School Competition to educate participants on ways to improve their waste management systems, with rewards given in the form of facility improvements for schools which had achieved good improvements.

Community Development Initiatives

Community development programmes carried out by Jawa Timur and Jawa Power for local communities in East Java, Indonesia, focus on education improvement, income generation, health and environmental improvement.

- **Education Quality Improvement**

  The companies continue to support ongoing education quality improvement programmes at two schools in the surrounding district of the plant, SMA Tunas Luhur and SMP Bhakti Pertiwi, which are full-day, junior and senior high schools, respectively.

- **Income Generation**

  This programme focuses on assisting local cooperatives to develop 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.

- **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 the guidance of 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.

- **Community Care**

  During the year under review, efforts continued to assist families affected by natural disasters in the areas surrounding the power station, and Jawa Power and Jawa Timur stepped in to deliver assistance to communities affected by eruptions at the Merapi and Bromo volcanoes.

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of YTL Power International Berhad ("the Company") will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 29th day of November, 2011 at 2.00 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon; **Please refer Explanatory Note A**

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

   a) Dato' Yeoh Seok Kian **Resolution 1**
   b) Dato' Sri Michael Yeoh Sock Siong **Resolution 2**
   c) Dato' Mark Yeoh Seok Kah **Resolution 3**

3. To re-elect Dato' Yusli Bin Mohamed Yusoff who retires pursuant to Article 90 of the Company's Articles of Association; **Resolution 4**

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

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

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

5. To approve the payment of Directors' fees amounting to RM580,000 for the financial year ended 30 June 2011; **Resolution 7**

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

AS SPECIAL BUSINESS

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

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

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 9**

8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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

   i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 30 November 2010, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2011, the audited Retained Profits and Share Premium Account of the Company were RM1,107,999,973 and RM2,976,337,184 respectively; and

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

a) the shares so purchased may be cancelled; and/or
b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/ regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR of Bursa Securities and all other relevant governmental/regulatory authorities." **Resolution 10**

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

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 4 November 2011 subject to the following:-

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

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

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

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

Resolution 11

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
4 November 2011

Notes:

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. The original instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Explanatory Note A

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

Explanatory Notes to Special Business

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

Resolution 9 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Fourteenth Annual General Meeting held on 30 November 2010 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of the Fifteenth Annual General Meeting to be held on 29 November 2011.

Resolution 9, if passed, will enable the Directors to allot and issue ordinary shares at any time from unissued share capital of the Company up to an amount not exceeding ten per centum (10%) of the Company's issued share capital for the time being without convening a general meeting which will be both time and cost consuming. The S132D Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

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

For Resolution 10, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 11, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Statement Accompanying Notice of Annual General Meeting

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

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

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

BOARD OF DIRECTORS

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

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

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

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

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

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

Mej Jen Dato' Haron Bin Mohd Taib (B)
PSAT, DPMJ, DPMT, DPMK, JMN, PMK, SMT, PIS, PJK, PKB, psc
(Demised on 17.08.2011)

Dato' Yusli Bin Mohamed Yusoff
DPMS
BA (Hons) (Economics)
(Appointed on 04.10.2011)

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

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

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

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

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

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

REGISTRAR

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

SOLICITORS

Lee, Perara & Tan
Slaughter & May

AUDIT COMMITTEE

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

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

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

AUDITORS

PricewaterhouseCoopers (AF 1146)
Chartered Accountants

PRINCIPAL BANKERS OF THE GROUP

AmBank (M) Berhad
Bank of America N.A.
Barclays Bank Plc
BNP Paribas
CIMB Bank Berhad
Citibank Berhad
Commerzbank
Credit Agricole Corporate and Investment Bank
DBS Bank Ltd
European Investment Bank
HSBC Bank Malaysia Berhad
HSBC Bank Plc
ING Bank N.V.
KfW Bankengruppe
Malayan Banking Berhad
Mizuho Corporate Bank Ltd
National Australia Bank Limited
Natixis
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank Malaysia Berhad
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Royal Bank of Scotland Plc
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (23.5.1997)

TAN SRI DATO' SERI (DR) YEOH TIONG LAY

Malaysian, aged 81, was appointed to the Board on 21 October 1996 and has been the Executive Chairman since 31 October 1996. His contributions are well recognised with the conferment of the title of Doctor of Engineering by Heriot-Watt University, Edinburgh and his appointment as Honorary Life President of the Master Builders Association of Malaysia in 1988. He is the co-founder and the first Chairman of the ASEAN Constructors' Federation. On 26 October 2002, Tan Sri Yeoh Tiong Lay was conferred the Honorary Doctorate in Philosophy (Business Administration) by Universiti Malaysia Sabah. He was installed as Pro-Chancellor for Universiti Malaysia Sabah on 1 July 2005. He is the past President and Lifetime member of the International Federation of Asian and Western Pacific Contractors Association. On 19 January 2008, Tan Sri Yeoh Tiong Lay was conferred the prestigious Order of the Rising Sun, Gold Rays with Neck Ribbon by the Emperor of Japan in recognition of his outstanding contribution towards the economic co-operation and friendship between Japan and Malaysia, including his efforts as an executive member and Vice President of the Malaysia-Japan Economic Association. On 20 August 2009, Tan Sri Yeoh Tiong Lay was accorded a Lifetime Achievement Award at the Asia Pacific Entrepreneurship Awards 2009 (APEA 2009) in recognition of his outstanding entrepreneurial achievements and contribution towards the development of the nation. He is also the Honorary Chairman of Tung Shin Hospital and is on the Board of Governors for several schools. Tan Sri Yeoh Tiong Lay is also the Executive Chairman of YTL Corporation Berhad and YTL Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and a board member of other public companies such as YTL Industries Berhad, YTL Foundation, and Wessex Water Limited (a private utilities company in UK).

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 57, was appointed to the Board on 18 October 1996 as an Executive Director and has been the Managing Director since then. Tan Sri Francis studied at Kingston University, UK, where he obtained a Bachelor of Science (Hons) in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. He became the Managing Director of YTL Corporation Berhad Group in 1988 which under his stewardship, has grown from a single listed entity into a force comprising six listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill Real Estate Investment Trust. He is presently Managing Director of YTL Corporation Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman and Managing Director of YTL e-Solutions Berhad, which is listed on the ACE Market of Bursa Malaysia Securities Berhad, and YTL Starhill Global REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Besides the listed entities in YTL Group, Tan Sri Francis also sits on the Board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Invesment Trust.

He is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council. He is also a member of The Nature Conservancy Asia Pacific Council, the Asia Business Council and Trustee of the Asia Society. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD.

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

He was appointed as a member of Barclays Asia-Pacific Advisory Committee in 2005. In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II. In 2008, he was appointed Chairman for South East Asia of the International Friends of the Louvre and he also received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London. He was named one of Asia's Top Executives in 2008 by Asiamoney.

He is the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010.

TAN SRI DATO' LAU YIN PIN @ LAU YEN BENG

Malaysian, aged 62, was appointed to the Board on 18 February 1997 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee. He obtained a Diploma in Commerce with distinction from Tunku Abdul Rahman College in 1974. In 1987, he became a graduate member of the Institute of Chartered Secretaries and Administrators, United Kingdom, and in 1981 was made a Fellow of the Chartered Association of Certified Accountants of the United Kingdom. Tan Sri Dato' Lau has been a member of the Malaysian Institute of Accountants since 1979. He was appointed to the board of the former Lembaga Letrik Negara on 1 October 1988 and served on the board of Tenaga Nasional Berhad, the successor to Lembaga Letrik Negara until 15 September 2010. He is currently a board member of Media Chinese International Ltd. and Ahmad Zaki Resources Berhad.

TAN SRI DATUK DR. ARIS BIN OSMAN @ OTHMAN

Malaysian, aged 67, was appointed to the Board on 12 June 2006 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Tan Sri Datuk Dr. Aris holds a PhD in Development Economics and a MA in Political Economy from Boston University, a MA in Development Economics from Williams College, Massachusetts, U.S.A., and a Bachelor of Arts (Hons) in Analytical Economics from University of Malaya.

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

DATO' YEOH SEOK KIAN

Malaysian, aged 54, was appointed to the Board on 21 October 1996 as an Executive Director. He is currently the Deputy Managing Director of the Company. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He is the Deputy Managing Director of YTL Corporation Berhad and Executive Director of YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also serves on the Board of several other public companies such as YTL Industries Berhad, The Kuala Lumpur Performing Arts Centre and private utilities company, Wessex Water Limited, as well as YTL Starhill Global REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' (DR) YAHYA BIN ISMAIL

Malaysian, aged 83, was appointed to the Board on 31 October 1996 as an Independent, Non-Executive Director. He is also a member of the Audit Committee. He was formerly with the Government and his last appointment was as Director General of the National Livestock Authority Malaysia. He was also with the Totalisator Board Malaysia from 1982 to 1990 and served as its Chairman from 1986. Dato' Yahya is a Director of YTL Corporation Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad. He also sits on the board of Metroplex Berhad and Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' YUSLI BIN MOHAMED YUSOFF

Malaysian, aged 52, was appointed to the Board on 4 October 2011 as an Independent Non-Executive Director.

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

Dato' Yusli began his career in the field of accounting and auditing in England where he held the position of audit senior and trainee accountant with Peat Marwick Mitchell, London (1981-1986) and Chief Accountant with Hugin Sweda PLC, London (1986-1990). He then held various key positions in a number of public listed and private companies in Malaysia including that of Senior Manager, Corporate Affairs in HBN Management (1990-1992), Financial Controller of Faber Group (1992), Chief Operating Officer of Time Engineering Berhad (1993) and Renong Berhad (1994-1995), Group Managing Director of Shapadu Corporation (1995-1996) and Chief General Manager of Sime Merchant Bankers Berhad (1996-1998). He served concurrently as Executive Vice Chairman of Intria Berhad and Managing Director of Metacorp Berhad (1998-1999) before venturing into stockbroking as the Chief Executive of CIMB Securities Sdn Bhd (2000-2004). He was the Chief Executive Officer of Bursa Malaysia Berhad (February 2004 to March 2011). He sat as a board member of the Capital Market Development Fund (2004-2011) and chairman of the Association of Stockbroking Companies Malaysia (2003-2004). He also served as exco member of the Financial Reporting Foundation of Malaysia and the Malaysian Accounting Standards Board (2004-2011).

Dato' Yusli is currently the Chairman of Red Cliff Group Pte Ltd, Independent Non-Executive Chairman of Mudajaya Group Berhad, and a board member of the Asian Institute of Finance and Mulpha International Berhad.

DATO' YEOH SOO MIN

Malaysian, aged 55, was appointed to the Board on 2 June 1997 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting. She did her Articleship at Leigh Carr and Partners, London and has gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is a member of the Malaysian Institute of Management. She was the past President of the Women in Travel Industry. She is currently a Fellow of the Governors of International Students House, London and is a Trustee of Yayasan Tuanku Fauziah. She also holds directorships in YTL Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad.

DATO' YEOH SEOK HONG

Malaysian, aged 52, was appointed to the Board on 18 October 1996 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and is currently overseeing the building of the fourth generation (4G) Worldwide Interoperability for Microwave Access (WiMAX) network by YTL Communications Sdn Bhd. He is a director of YTL Corporation Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the board of YTL Industries Berhad and YTL Foundation, and utilities companies, Wessex Water Limited, Wessex Water Services Limited and PowerSeraya Limited.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 51, was appointed to the Board on 21 October 1996 as an Executive Director. He graduated from Bradford University, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He is also a director of YTL Corporation Berhad, YTL Cement Berhad, YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the board of other public companies such as YTL Industries Berhad, Sentul Raya Golf Club Berhad and private utilities company, Wessex Water Limited.

DATO' YEOH SOO KENG

Malaysian, aged 48, was appointed to the Board on 2 June 1997 as an Executive Director. She graduated with a Bachelor of Science (Hons) in Civil Engineering from Leeds University, United Kingdom in 1985. She was the project director for the construction of the British High Commissioner's residence, Kuala Lumpur; the Design & Build of the National Art Gallery in Kuala Lumpur and the Selangor Medical Centre in Shah Alam. She was also in charge of a few turnkey projects such as the construction and completion of Yeoh Tiong Lay Plaza, Pahang Cement plant in Pahang and Slag Cement plants in Selangor and Johor. Dato' Yeoh Soo Keng is the purchasing director responsible for bulk purchases of building materials and related items for construction, hotels and resorts, and property development divisions of the YTL Group. She is instrumental in the sales and marketing of cement and related products for YTL Cement Berhad, Pahang Cement Marketing Sdn Bhd and Perak-Hanjoong Simen Sdn Bhd. She is also a director of YTL Corporation Berhad and YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 46, was appointed to the Board on 21 October 1996 as an Executive Director. He graduated from King's College, University of London with a LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves on the Board of YTL Corporation Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of the Bursa Malaysia Securities Berhad. He is also a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited, as well as PowerSeraya Limited.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, aged 57, was appointed to the Board on 18 February 1997 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad, a public listed company with subsidiaries involved in, *inter alia*, discount, money broking, unit trusts, finance and fund management operations. He currently also serves on the Board of YTL Corporation Berhad, YTL e-Solutions Berhad, Iris Corporation Berhad, and Versatile Creative Berhad.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	5
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	5
Dato' Yeoh Seok Kian	3
Dato' (Dr) Yahya Bin Ismail	5
Mej Jen Dato' Haron Bin Mohd Taib (B) *(Demised on 17 August 2011)*	4
Dato' Yeoh Soo Min	5
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Yeoh Soo Keng	4
Dato' Mark Yeoh Seok Kah	4
Syed Abdullah Bin Syed Abd. Kadir	5

Notes:

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

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

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

Statement of Directors' Responsibilities

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2011, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1965 and Financial Reporting Standards in Malaysia.

MEMBERS

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

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

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

TERMS OF REFERENCE

Primary Purposes

The Committee shall:

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

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

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

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

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

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

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

8. Create a climate of discipline and control to reduce incidence of fraud.

Membership

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

2. At least one member of the Audit Committee:-
   a) must be a member of the Malaysian Institute of Accountants; or
   b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
      i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
      ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
   c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

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

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

Authority

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

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

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

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

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

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

6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions And Duties

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

1. Review the following and report the same to the Board of the Company:-
   a) the audit plan with the external auditors;
   b) the evaluation by the external auditors of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Group's operations and efforts and processes taken to reduce the Group's operational risks;
   c) the audit report with the external auditors;
   d) the assistance given by the employees of the Company to the external auditors;
   e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
   f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
   g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focussing particularly on:-
      - changes in or implementation of major accounting policy changes
      - significant and unusual events
      - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group
      - compliance with accounting standards, other statutory and legal requirements and the going concern assumption;
   h) any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
   i) any letter of resignation from the external auditors of the Company;
   j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and
   k) any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external and internal auditors.

2. Recommend the nomination of a person or persons as external auditors and the external audit fee.

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

4. Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

Meetings

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

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

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

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

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

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

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

Retirement And Resignation

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Main LR, the Company must fill the vacancy within 3 months.

Minutes

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

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

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

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

Secretary

The Secretary to the Committee shall be the Company Secretary.

ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2011 in discharging its functions:-

1. Review of the external auditors' scope of work and their audit plan.

2. Reviewing with the external auditors on the findings of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

3. Review of audit reports presented by internal auditors on findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management.

4. Review of the quarterly results and annual financial statements to ensure compliance with the Main LR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.

5. Review of the related party transactions entered into by the Group.

6. Review of the adequacy and competency of the internal audit function and the profiles of the internal auditors.

7. Review of the Audit Committee Report and Statement on Internal Control and recommend to the Board for approval prior to their inclusion in the Company's Annual Report.

INTERNAL AUDIT ACTIVITIES

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

1. Developing the annual internal audit plan and proposing this plan to the Audit Committee.

2. Conducting scheduled and special internal audit engagements, focusing primarily on the effectiveness of internal controls and recommending improvements where necessary.

3. Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.

4. Presenting audit findings to the Audit Committee for consideration.

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

Costs amounting to approximately RM1,230,536 were incurred in relation to the internal audit function for the financial year ended 30 June 2011.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

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

The Board of Directors ("Board") of YTL Power International Berhad ("YTL Power" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL Power Group"). In implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the measures and best practices recommended in the Malaysian Code on Corporate Governance ("Code").

The YTL Power Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL Power Group's achievements and strong financial profile to date. The YTL Power Group's corporate governance structure is a fundamental part of the Board's responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL Power Group, whilst taking into account the interests of all stakeholders.

This section of the Annual Report details the measures implemented by the YTL Power Group to strengthen its compliance with the Principles and Best Practices of Corporate Governance as set out in Parts 1 and 2 of the Code, respectively.

BOARD STRUCTURE

YTL Power is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the YTL Power Group's operations. This broad spectrum of skills and experience ensures the YTL Power Group is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the YTL Power Group and have adopted the six primary responsibilities as listed in the Code, which facilitate the discharge of the Board's stewardship responsibilities.

The Board currently has 13 Directors, comprising 9 executive members and 4 non-executive members, all 4 of whom are independent. This provides an effective check and balance in the functioning of the Board. Following the demise of Mej. Jen. Dato' Haron bin Mohd. Taib (B) on 17 August 2011, the Company appointed Dato' Yusli bin Mohamed Yusoff as an independent non-executive director on 4 October 2011, in compliance with the provisions of the Listing Requirements that require one-third of the Board to be independent and any vacancies resulting in non-compliance with this provision to be filled within 3 months.

The positions and responsibilities of the Executive Chairman and the Managing Director are held by separate members of the Board. The Executive Chairman is primarily responsible for the orderly conduct and effectiveness of the Board, whilst the Managing Director oversees the day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL Power Group, consistent with the primary aim of enhancing long-term shareholder value.

The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the Company. The differing roles of Executive and Non-Executive Directors are delineated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board.

The Executive Directors are collectively accountable for the running and management of the YTL Power Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL Power Group conducts its business.

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

To date, the Board has not found it necessary to designate a senior independent non-executive to whom concerns may be conveyed, mainly because full deliberation of issues affecting the YTL Power Group by all members of the Board and shareholders is encouraged.

DIRECTORS' TRAINING

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

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

BOARD MEETINGS & ACCESS TO INFORMATION

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Power Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2011. Details of each Director's attendance of the Board meetings are disclosed in the Profile of the Board of Directors in this Annual Report.

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

The Directors have full and unrestricted access to all information pertaining to the YTL Power Group's business and affairs to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the YTL Power Group rests firmly with the Board.

Prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting, prepared by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of YTL Power Group.

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

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations.

APPOINTMENT & RE-ELECTION OF DIRECTORS

The appointment of Directors is undertaken by the Board as a whole. The Managing Director recommends candidates suitable for appointment to the Board, and the final endorsement lies with the entire Board to ensure that the required mix of skills, experience and expertise of members of the Board is sufficient to address the issues affecting the YTL Power Group. In its deliberations, the Board is required to take into account the integrity, professionalism, skill, knowledge, expertise and experience of the proposed candidate. In accordance with the Board's procedures, deliberations and conclusions in this process reached are recorded by the Company Secretary. During the financial year under review, there were no new appointments to the Board.

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

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

DIRECTORS' REMUNERATION

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

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in Note 8 to the Financial Statements in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL Power Group's standards of corporate governance.

DIALOGUE WITH SHAREHOLDERS & INVESTORS

The YTL Power Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting shareholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders value and recognises the importance of timely dissemination of information to shareholders. Accordingly, the Board ensures that shareholders are kept well-informed of any major developments of the YTL Power Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL Power Group's financial results but to provide updates on strategies and new developments to ensure mutual understanding of the YTL Power Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL Power Group's performance and major development programs. Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL Power Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

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

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

During the course of each financial year, the Company ensures prompt and timely release and dissemination of quarterly results, announcements, circulars and notices to enable shareholders to keep abreast of the YTL Power Group's financial and operational performance and to make informed decisions with regards to significant corporate developments.

THE AUDIT COMMITTEE

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors in compliance with the Code and the Listing Requirements which require all the members of the Audit Committee to be Non-Executive Directors.

The Audit Committee holds quarterly meetings to review matters including the YTL Power Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met 5 times during the financial year ended 30 June 2011. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee Report in this Annual Report.

FINANCIAL REPORTING

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965 and Financial Reporting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates to present a true and fair assessment of the Company's position and prospects. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities and the Securities Commission.

The Statement by Directors made pursuant to Section 169 of the Companies Act 1965 is set out in this Annual Report.

INTERNAL CONTROL & INTERNAL AUDIT

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

RELATIONSHIP WITH THE AUDITORS

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

ADDITIONAL DISCLOSURE

- **Employee Retention Policies:** YTL Power's employees' share option scheme ("ESOS") were approved by shareholders at extraordinary general meetings in October 2001 and November 2010. Details of the number of ESOS options granted during the year under review can be found in the Directors' Report in the Financial Statements in this Annual Report.

  The Board believes that maintaining the calibre of its employees is vital to ensure the continued success of the YTL Power Group and the consequent increase in returns to shareholders. To these ends, the YTL Power Group has implemented various staff retention and assessment practices in addition to the ESOS, including a Thirteenth Month wage supplement, annual bonuses and biannual reviews of staff performance.

- **Share Buy-Back Programme:** Details of the Company's share buy-back exercises for the year under review have also been included in this Annual Report.

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2011.

This statement was approved by the Board of Directors on 4 October 2011.

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

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

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL Power Group, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management. However, the Board recognises that reviewing the YTL Power Group's system of internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

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

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

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

- **Authorisation Procedures:** The YTL Power Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and the senior management. Responsibility levels are communicated throughout the YTL Power Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interest of shareholders.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RISK MANAGEMENT

The YTL Power Group's strong financial profile is the result of a system of internal control and risk management designed to mitigate risks which arise in the course of business. This is exemplified by the YTL Power Group's strategy of acquiring regulated assets and financing acquisitions on non-recourse basis. These include YTL Power Generation Sdn Bhd, Wessex Water Limited and PowerSeraya Limited, as well as its indirect investment of 33.5% in ElectraNet Pty Ltd and minority interest in P.T. Jawa Power. These assets share common characteristics of highly predictable operating costs and revenue streams, which in turn generate stable and predictable cash flows and profits, underpinned by an established regulatory environment in their respective markets of operation.

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

Identifying, evaluating and managing the significant risks faced by the YTL Power Group is an ongoing process which is undertaken at each level of operations. During the financial year under review, this function was exercised through participation of Executive Directors in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

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

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

CONCLUSION

The Board is of the view that the system of internal controls being instituted throughout the YTL Power Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL Power Group's operations and that risks are at an acceptable level throughout the YTL Power Group's businesses. Nevertheless, reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the systems of internal control, so as to safeguard shareholders' investments and the YTL Power Group's assets.

This Statement was approved by the Board of Directors on 4 October 2011.

At the last Annual General Meeting of YTL Power International Berhad ("YTL Power") held on 30 November 2010, the Company had obtained a mandate from its shareholders to allow YTL Power and/or its subsidiaries ("YTL Power Group") to enter into related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of YTL Power or its subsidiaries ("Recurrent Related Party Transactions").

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main LR"), details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2011 pursuant to the said shareholder mandate are as follows:-

Company in the YTL Power Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
Extiva Communications Sdn Bhd; PowerSeraya Limited; YTL Power; YTL Communications Sdn Bhd; YTL Power Generation Sdn Bhd	YTL Corporation[b] and its subsidiary and associate companies[g] (collectively, "YTL Corp Group")	Provision of operation and maintenance services by Related Party; Provision of hotel related services by Related Party; Provision of parking facilities by Related Party; Charges for use of Vistana apartment unit paid to Related Party; Renting of office premises at Menara ING, Kuala Lumpur and procurement of related services from Related Party; Provision of telecommunications and/or broadband services, equipment and/or related services to Related Party; Purchase of office equipment from Related Party; Renting of premises at Lot 10 Shoping Centre, and 183, Jalan Bukit Bintang, Kuala Lumpur, and procurement of related services from Related Party.	YTLSH[a] YTL Corporation[b] Tan Sri Yeoh Tiong Lay[c] Yeoh Siblings[d] Directors' Spouses[e] Other Connected Parties[f]	^Major Shareholder/ ^Person Connected[1] ^Major Shareholder/ ^Person Connected[2] Director/ ^Major Shareholder/ ^Person Connected[1][2][3][4][5] Directors[1][2][3][4][5] ^Person Connected[4][5] ^Person Connected[4][5]	102,970

Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature for the financial year ended 30 June 2011

Definitions:-

(a)	YTLSH	–	Yeoh Tiong Lay & Sons Holdings Sdn Bhd
(b)	YTL Corporation	–	YTL Corporation Berhad
(c)	Tan Sri Yeoh Tiong Lay	–	Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
(d)	Yeoh Siblings	–	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng & Dato' Mark Yeoh Seok Kah
(e)	Directors' Spouses	–	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, Datin Lim Lee Lee, Dato' Tan Kim Kuan, Datin Kathleen Chew Wai Lin, Datin Sri Tan Siew Bee, Choy Wai Hin, & Datin Julie Teh Chooi Gan
(f)	Other Connected Parties	–	Tan & Yeoh Properties Sdn Bhd, Tan Chien Wen, Yeoh Keong Hann, Yeoh Pei Lou & Yeoh Keong Yuan
(g)	Subsidiary and associate companies of YTL Corporation	–	Excluding YTL Power, YTL e-Solutions Berhad, YTL Cement Berhad, YTL Land & Development Berhad and their subsidiary and associate companies
^	Major Shareholder/ Person Connected	–	As defined in Paragraph 1.01 of the Main LR

Notes:-

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

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

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

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

(5) Tan Sri Yeoh Tiong Lay and the Yeoh Siblings are also Directors of YTL Corporation. Tan Sri Yeoh Tiong Lay, the Yeoh Siblings, Directors' Spouses and Other Connected Parties had interests in the ordinary shares of YTL Corporation as at 30 June 2011.

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	4,994	12.25	178,108	0.00
100 – 1,000	6,601	16.19	3,510,572	0.05
1,001 – 10,000	22,239	54.56	86,966,174	1.20
10,001 – 100,000	6,007	14.74	164,825,236	2.28
100,001 to less than 5% of issued shares	916	2.25	2,993,492,452	41.42
5% and above of issued shares	3	0.01	3,977,478,434	55.04
Total	**40,760**	**100.00**	**7,226,450,976**	**100.00**

THIRTY LARGEST SHAREHOLDERS

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

	Name	No. of Shares	%#
1	YTL Corporation Berhad	2,872,346,929	39.75
2	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	709,682,066	9.82
3	YTL Corporation Berhad	395,449,439	5.47
4	Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	280,144,517	3.88
5	Cornerstone Crest Sdn Bhd	200,000,000	2.77
6	Valuecap Sdn Bhd	163,598,900	2.26
7	Bara Aktif Sdn Bhd	151,423,627	2.10
8	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	151,384,172	2.09
9	AMSEC Nominees (Tempatan) Sdn Bhd – Pledged Securities Account – Ambank (M) Bhd for Cornerstone Crest Sdn Bhd	136,134,453	1.88
10	Lembaga Tabung Haji	126,357,846	1.75
11	CIMB Group Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Cornerstone Crest Sdn Bhd (CBG7-KL)	126,050,420	1.74
12	Mayban Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (414011602106)	110,864,000	1.53
13	Amanahraya Trustees Berhad – Amanah Saham Malaysia	86,250,000	1.19
14	Kumpulan Wang Persaraan (Diperbadankan)	85,722,200	1.19
15	Amanahraya Trustees Berhad – Amanah Saham Didik	81,645,250	1.13
16	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Blackrock Global Allocation Fund, Inc.	77,513,779	1.07

	Name	No. of Shares	%#
17	Cartaban Nominees (Asing) Sdn Bhd – Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	65,375,189	0.90
18	Amanahraya Trustees Berhad – As 1Malaysia	61,454,900	0.85
19	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	58,161,488	0.80
20	Amanahraya Trustees Berhad – Amanah Saham Wawasan 2020	56,014,657	0.78
21	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	49,436,827	0.68
22	Mayban Nominees (Tempatan) Sdn Bhd – Mayban Investment Management Sdn Bhd for Malayan Banking Berhad (N14011200618)	45,005,758	0.62
23	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	35,707,827	0.49
24	Permodalan Nasional Berhad	30,660,500	0.42
25	HSBC Nominees (Asing) Sdn Bhd – BNY Lux for Global Allocation Fund (Blackrock GBL F)	22,401,256	0.31
26	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Matthews Asian Growth and Income Fund	21,929,218	0.30
27	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.A.E)	20,211,190	0.28
28	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for American International Assurance Berhad	16,953,700	0.23
29	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.K.)	15,024,006	0.21
30	Dato' Yeoh Seok Hong	14,254,916	0.20
	Total	**6,267,159,030**	**86.69**

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	%#	Indirect	%#
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	274,583,842	3.80	3,737,684,939 ←	51.72
YTL Corporation Berhad	3,275,220,346	45.32	462,464,593 ↑	6.40
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	13,380,250	0.19	4,012,268,781 ℜ	55.52
Cornerstone Crest Sdn Bhd	462,184,873	6.40	–	–
Employees Provident Fund Board	716,621,266	9.92	–	–

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

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

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

Based on the issued and paid-up capital of the Company of RM3,641,587,910.50 comprising 7,283,175,821 ordinary shares net of 56,724,845 treasury shares retained by the Company as per Record of Depositors.

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

DISTRIBUTION OF WARRANT 2008/2018 HOLDINGS

Size of holding	No. of Warrants 2008/2018 Holders	%	No. of Warrants 2008/2018	%
Less than 100	314	3.23	11,434	0.00
100 – 1,000	4,461	45.88	2,451,015	0.21
1,001 – 10,000	4,261	43.82	13,526,264	1.14
10,001 – 100,000	610	6.27	16,634,258	1.40
100,001 to less than 5% of issued warrants	75	0.77	56,155,930	4.74
5% and above of issued warrants	3	0.03	1,095,939,800	92.51
Total	**9,724**	**100.00**	**1,184,718,701**	**100.00**

THIRTY LARGEST WARRANTS 2008/2018 HOLDERS

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

	Name	No. of Warrants 2008/2018	%
1	YTL Corporation Berhad	934,096,562	78.85
2	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	88,197,735	7.44
3	YTL Corporation Berhad	73,645,503	6.22
4	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	11,999,799	1.01
5	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,407,266	0.37
6	DB (Malaysia) Nominee (Asing) Sdn Bhd – Deutsche Bank Ag Singapore for Pangolin Asia Fund	3,577,300	0.30
7	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.K.)	3,254,959	0.27
8	Amsec Nominees (Asing) Sdn Bhd – James Hugh Alexander Hay (GZ0115)	1,988,000	0.17
9	YTL Corporation Berhad	1,926,666	0.16
10	Maybank Securities Nominees (Asing) Sdn Bhd – Kim Eng Securities Pte Ltd for James Hay	1,700,000	0.14
11	Dato' Yeoh Seok Kian	1,632,962	0.14
12	Dato' Yeoh Soo Keng	1,585,944	0.13
13	YTL Corporation Berhad	1,582,269	0.13
14	Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.13
15	Citigroup Nominees (Asing) Sdn Bhd – GSI for EFL Limited	1,392,740	0.12

	Name	No. of Warrants 2008/2018	%
16	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	1,363,688	0.12
17	Kee Hun Chang @ Kee Ah Bah	1,112,600	0.09
18	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	906,557	0.08
19	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Velvet Properties Limited	887,764	0.07
20	Tokio Marine Life Insurance Malaysia Bhd – As Beneficial Owner (PF)	837,700	0.07
21	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Windchime Developments Limited	749,488	0.06
22	Mayban Nominees (Tempatan) Sdn Bhd – Lim Weng Jong	743,400	0.06
23	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Water City Limited	681,392	0.06
24	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	604,855	0.05
25	Goh Tian Hock	552,400	0.05
26	Lim Soon Huat	533,300	0.05
27	Annie Loo Yean Lay	500,000	0.04
28	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	483,348	0.04
29	Datin Lim Lee Lee	450,000	0.04
30	Pertubuhan Peladang Kebangsaan	398,951	0.03
	Total	**1,143,289,650**	**96.49**

The Company
YTL Power International Berhad

	No. of Shares Held				No. of Share Options
Name	**Direct**	**%**	**Indirect**	**%**	**Direct**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	13,380,250	0.18	4,013,923,231[(1)(2)]	54.79	14,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.20	–	–	14,000,000
Tan Sri Datuk' Seri Dr. Aris Bin Osman @ Othman	–	–	100,562[(1)]	*	–
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	38,853	*	–	–	–
Dato' Yeoh Seok Kian	5,021,360	0.07	1,545,941[(1)]	0.02	6,000,000
Dato' (Dr) Yahya Bin Ismail	343,000	*	38,610[(1)]	*	–
Dato' Yeoh Soo Min	12,769,934	0.17	3,283,424[(1)(8)]	0.04	–
Dato' Yeoh Seok Hong	22,510,268	0.31	3,281,179[(1)]	0.04	5,000,000
Dato' Sri Michael Yeoh Sock Siong	4,601,744	0.06	1,019,291[(1)]	0.01	6,000,000
Dato' Yeoh Soo Keng	5,081,777	0.07	133,500[(1)]	*	6,000,000
Dato' Mark Yeoh Seok Kah	7,665,920	0.10	1,093,601[(1)]	0.01	6,000,000
Syed Abdullah Bin Syed Abd Kadir	2,268,203	0.03	524[(1)]	*	6,000,000

	No. of Warrants 2008/2018 Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	1,100,821,922 [(5)]	92.92
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.41	–	–
Tan Sri Datuk' Seri Dr. Aris Bin Osman @ Othman	–	–	23,200[(1)]	*
Dato' Yeoh Seok Kian	1,632,962	0.14	450,000[(1)]	0.04
Dato' Yeoh Soo Min	–	–	207,000	0.02
Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.13	298,956[(1)]	0.03
Dato' Yeoh Soo Keng	1,585,944	0.13	36,507[(1)]	*

Holding Company
YTL Corporation Berhad

	No. of Shared Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	47,523,040	0.53	4,753,641,470(1)(3)	53.01
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	0.94	–	–
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	26,110	*	–	–
Dato' Yeoh Seok Kian	30,483,085	0.34	2,109,980(1)	0.02
Dato' (Dr) Yahya Bin Ismail	510,000	0.01	501,330(1)	0.01
Dato' Yeoh Soo Min	32,495,020	0.36	991,800(1)(8)	0.01
Dato' Yeoh Seok Hong	25,686,095	0.29	19,864,810(1)	0.22
Dato' Sri Michael Yeoh Sock Siong	26,153,345	0.29	12,885,305(1)	0.14
Dato' Yeoh Soo Keng	29,084,105	0.32	424,820(1)	*
Dato' Mark Yeoh Seok Kah	17,942,040	0.20	3,116,775(1)	0.03
Syed Abdullah Bin Syed Abd Kadir	9,191,375	0.10	18,415(1)	*

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	25,000,000	15,000,000(1)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	2,000,000(7)
Dato' Yeoh Seok Kian	17,500,000	–
Dato' Yeoh Soo Min	15,000,000	–
Dato' Yeoh Seok Hong	15,000,000	2,000,000(1)
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Dato' Yeoh Soo Keng	15,000,000	–
Dato' Mark Yeoh Seok Kah	15,000,000	–

Ultimate Holding Company
Yeoh Tiong Lay & Sons Holdings Sdn Bhd

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

Related Corporations
YTL Cement Berhad

	No. of Shares Held				No. of Share Options
Name	**Direct**	**%**	**Indirect**	**%**	**Direct**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.36	238,607,356(1)(4)	50.45	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	0.43	–	–	1,400,000
Tan Sri Datuk' Seri Dr. Aris Bin Osman @ Othman	–	–	15,600(1)	*	–
Dato' Yeoh Seok Kian	618,754	0.13	83,200(1)	0.02	350,000
Dato' Yeoh Soo Min	225,634	0.05	138,357 (8)	0.03	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123(1)	0.01	–
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388(1)	0.24	1,000,000
Dato' Yeoh Soo Keng	938,251	0.20	90,251(1)	0.02	700,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(1)	0.03	–

	No. of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.35	454,310,350(1)(4)	94.84
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.36	–	–
Dato' Yeoh Seok Kian	618,754	0.13	100,000(1)	0.02
Dato' Yeoh Soo Min	225,634	0.05	–	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123(1)	0.01
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.26	1,109,388(1)	0.23
Dato' Yeoh Soo Keng	818,251	0.17	–	–
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(1)	0.03

YTL e-Solutions Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	999,172,000(5)	74.27
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	150,000	0.01	–	–
Dato' Yeoh Soo Min	–	–	1,053,800(8)	0.08
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(1)	0.14
Dato' Yeoh Soo Keng	500,000	0.04	–	–
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–

YTL Land & Development Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	497,846,293(5)	60.06
Dato' Yeoh Seok Kian	61,538	0.01	–	–
Dato' Yeoh Soo Min	–	–	625,582(8)	0.08
Dato' Yeoh Soo Keng	100,000	0.01	–	–

Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

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

Infoscreen Networks PLC

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

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Samui Hotel 2 Co. Ltd

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

* *Negligible*

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

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

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

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

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

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

(7) *Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of the ESOS.*

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

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

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

Monthly Breakdown	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price Per Share (RM) Lowest	Purchase Price Per Share (RM) Highest	Average Cost Per Share (RM)	Total Cost (RM)
August 2010	1,000	2.29	2.29	2.29000	2,333.69
March 2011	1,000	2.29	2.29	2.29000	2,333.69
Total	**2,000**	**2.29**	**2.29**	**2.33369**	**4,667.38**

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June, 2011 a total of 56,724,745 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2011 RM'000	Date of Acquisition
Avonmouth STW, Kings Weston Lane, Avonmouth, Bristol BS11 OYS, United Kingdom	Freehold	394,600 sq.m.	Sewerage treatment works	–	–	–	385,876	21.05.2002
Poole STW, Cabot Lane, Poole, Dorset, BH17 7BX, United Kingdom	Freehold	91,800 sq.m.	Sewerage treatment works	–	–	–	233,588	21.05.2002
Lot No PT2467, HS (D) 340, Mukim of Kuala Paka, Terengganu	Leasehold	16.187 hectare	Power plant	–	16	Year 2018	183,736	03.12.1995
Maudown Water Treatment Works, Maudown, Wiveliscombe, Taunton, TA4 2UN, United Kingdom	Freehold	68,500 sq.m.	Water treatment works	–	–	–	171,397	21.05.2002
Claverton Down Road, Bath BA2 7WW, United Kingdom	Freehold	27,100 sq.m.	Head Office, Operation Centre	5,640	11	–	122,865	21.05.2002
Lot No. PT64062, HS (D) 69515, Mukim of Plentong, Johor	Leasehold	2.0577 hectare	Power plant	–	16	Year 2018	104,290	03.12.1995
W-S-Mare STW, Accommodation Road, Bleadon, Weston Super Mare, BS24 OAP, United Kingdom	Freehold	157,500 sq.m.	Sewerage treatment works	–	–	–	96,858	21.05.2002
Chilton Trinity STW, Wylds Road, Bridgwater, Somerset TA6 3JS, United Kingdom	Freehold	34,600 sq.m.	Sewerage treatment works	–	–	–	59,749	21.05.2002
Pulau Seraya Lot 562X, 365K and 715P, Singapore	Leasehold	875,150 sq.m.	Power plant	–	–	Year 2025	59,376	06.03.2009
Holdenhurst STW, Riverside Ave, Castle Lane East, Bournemouth, Dorset BH7 7ES, United Kingdom	Freehold	102,000 sq.m.	Sewerage treatment works	–	–	–	55,974	21.05.2002

The Directors are pleased to submit their annual report together with the audited financial statements of the Group and the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of administrative and technical support services.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year, save and except for a subsidiary that has commenced its mobile broadband network operations.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	**1,247,462**	**381,465**
Attributable to:		
Owners of the parent	**1,364,168**	**381,465**
Non–controlling interests	**(116,706)**	**–**
	1,247,462	**381,465**

DIVIDENDS

The amounts of dividends paid by the Company since 30 June 2010 were as follows:

	RM'000
In respect of the financial year ended 30 June 2010:	
- Third interim single tier dividend of 7.5% or 3.75 sen per ordinary share of 50 sen each paid on 15 July 2010	**269,610**
- Final single tier dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 23 December 2010	**135,238**
In respect of the financial year ended 30 June 2011:	
- First interim single tier dividend of 7.5% or 3.75 sen per ordinary share of 50 sen each paid on 21 January 2011	**270,494**
- Second interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 31 March 2011	**135,351**
- Third interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 15 July 2011	**135,418**
	946,111

A fourth interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each has been declared for payment on 24 November 2011. The Directors do not recommend the payment of a final dividend for the financial year ended 30 June 2011.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

The issued and fully paid up share capital of the Company was increased from RM3,623,272,852 to RM3,639,497,118 following the exercise of 14,727,350 ESOS at exercise prices ranging from RM1.32 to RM2.02 per share, and the exercise of 17,721,184 Warrants at an exercise price of RM1.21 per Warrant on the basis of one (1) new ordinary share for every one (1) Warrant. The new ordinary shares of 50 sen each rank pari passu in all respects with the existing issued shares of the Company.

The total number of unexercised Warrants as at 30 June 2011 amounted to 1,184,765,536.

TREASURY SHARES

The shareholders of the Company, by a resolution passed in the 14th Annual General Meeting held on 30 November 2010, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

Details of treasury shares are set out in Note 29(b) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Employees Share Option Scheme for employees and Executive Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation ('ESOS') is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting ('EGM') held on 16 October 2001 ('Existing ESOS'). Details of the ESOS and the shares issued during the financial year by virtue of the exercise of options under the Existing ESOS are set out in Note 28(b) to the financial statements.

As the Existing ESOS will expire on 29 November 2011, a new ESOS for employees and Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation was established as approved by the shareholders of the Company at the EGM held on 30 November 2010 ('2011 Scheme'). The 2011 Scheme was implemented on 1 April 2011. Details on the 2011 Scheme are set out in Note 28(c) to the financial statements.

Since the date of the last report, no options have been granted under the Existing ESOS and 2011 Scheme.

DIRECTORS

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Tan Sri Datuk Dr. Aris Bin Osman @ Othman
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Dato' Yeoh Seok Kian
Dato' (Dr) Yahya Bin Ismail
Dato' Yeoh Soo Min
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Yeoh Soo Keng
Dato' Mark Yeoh Seok Kah
Syed Abdullah Bin Syed Abd. Kadir
Mej. Jen. Dato' Haron Bin Mohd Taib (B) (Demised on 17 August 2011)

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM0.50 each in the Company			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	13,380,250	–	–	**13,380,250**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE,FICE	14,945,040	–	–	**14,945,040**
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	38,853	–	–	**38,853**
Dato' Yeoh Seok Kian	5,021,360	–	–	**5,021,360**
Dato' (Dr) Yahya Bin Ismail	490,154	–	147,154	**343,000**
Dato' Yeoh Soo Min	5,108,601	7,661,333	–	**12,769,934**
Dato' Yeoh Seok Hong	22,510,268	–	–	**22,510,268**
Dato' Sri Michael Yeoh Sock Siong	4,601,744	–	–	**4,601,744**
Dato' Yeoh Soo Keng	5,081,777	–	–	**5,081,777**
Dato' Mark Yeoh Seok Kah	6,665,920	1,000,000	–	**7,665,920**
Syed Abdullah Bin Syed Abd. Kadir	2,268,203	–	–	**2,268,203**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,013,961,231[1][8]	–	38,000	**4,013,923,231**[1][8]
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	100,562[1]	–	–	**100,562**[1]
Dato' Yeoh Seok Kian	1,445,941[1]	–	–	**1,445,941**[1]
Dato' (Dr) Yahya Bin Ismail	38,610[1]	–	–	**38,610**[1]
Mej. Jen. Dato' Haron Bin Mohd Taib (B)	112,898[1]	–	–	**112,898**[1]
Dato' Yeoh Soo Min	2,123,424[1][9]	1,160,000	–	**3,283,424**[1][9]
Dato' Yeoh Seok Hong	3,281,179[1]	–	–	**3,281,179**[1]
Dato' Sri Michael Yeoh Sock Siong	1,019,291[1]	–	–	**1,019,291**[1]
Dato' Yeoh Soo Keng	133,500[1]	–	–	**133,500**[1]
Dato' Mark Yeoh Seok Kah	1,093,601[1]	–	–	**1,093,601**[1]
Syed Abdullah Bin Syed Abd. Kadir	524[1]	–	–	**524**[1]

	Number of Warrants in the Company			
	At 1 July 2010	Acquired	Exercised/ Disposed	At 30 June 2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	–	–	**4,860,175**
Dato' (Dr) Yahya Bin Ismail	201,026	–	201,026	–
Dato' Yeoh Seok Kian	1,632,962	–	–	**1,632,962**
Dato' Yeoh Soo Min	1,661,333	–	1,661,333	–
Dato' Sri Michael Yeoh Sock Siong	1,496,502	–	–	**1,496,502**
Dato' Yeoh Soo Keng	1,585,944	–	–	**1,585,944**
Dato' Mark Yeoh Seok Kah	1,000,000	–	1,000,000	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,100,821,922(6)	–	–	**1,100,821,922(6)**
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	23,200(1)	–	–	**23,200(1)**
Dato' Yeoh Seok Kian	450,000(1)	–	–	**450,000(1)**
Mej. Jen. Dato' Haron Bin Mohd Taib (B)	26,715(1)	–	–	**26,715(1)**
Dato' Yeoh Soo Min	–	207,000	–	**207,000(9)**
Dato' Sri Michael Yeoh Sock Siong	298,956(1)	–	–	**298,956(1)**
Dato' Yeoh Soo Keng	36,507(1)	–	–	**36,507(1)**

	Number of share options over ordinary shares of RM0.50 each			
	At 1 July 2010	Granted	Exercised	At 30 June 2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	14,000,000	–	–	**14,000,000**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,000,000	–	–	**14,000,000**
Dato' Yeoh Seok Kian	6,000,000	–	–	**6,000,000**
Dato' Yeoh Soo Min	6,000,000	–	6,000,000	–
Dato' Yeoh Seok Hong	5,000,000	–	–	**5,000,000**
Dato' Sri Michael Yeoh Sock Siong	6,000,000	–	–	**6,000,000**
Dato' Yeoh Soo Keng	6,000,000	–	–	**6,000,000**
Dato' Mark Yeoh Seok Kah	6,000,000	–	–	**6,000,000**
Syed Abdullah Bin Syed Abd Kadir	6,000,000	–	–	**6,000,000**

	Number of ordinary shares of RM0.10 each			
	At 1 July 2010 ‡	Acquired	Disposed	At 30 June 2011
Holding Company				
YTL Corporation Berhad				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	47,523,040	–	–	**47,523,040**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	–	–	**84,094,530**
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	26,110	–	–	**26,110**
Dato' Yeoh Seok Kian	30,483,085	–	–	**30,483,085**
Dato' (Dr) Yahya Bin Ismail	807,855	–	297,855	**510,000**
Dato' Yeoh Soo Min	32,495,020	–	–	**32,495,020**
Dato' Yeoh Seok Hong	25,686,095	–	–	**25,686,095**
Dato' Sri Michael Yeoh Sock Siong	26,153,345	–	–	**26,153,345**
Dato' Yeoh Soo Keng	29,084,105	–	–	**29,084,105**
Dato' Mark Yeoh Seok Kah	17,942,040	–	–	**17,942,040**
Syed Abdullah Bin Syed Abd. Kadir	3,841,375	15,000,000	3,200,000	**15,641,375**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,753,641,470(1)(4)	–	–	**4,753,641,470(1)(4)**
Dato' Yeoh Seok Kian	1,609,980(1)	500,000	–	**2,109,980(1)**
Dato' (Dr) Yahya Bin Ismail	496,330(1)	–	–	**496,330(1)**
Dato' Yeoh Soo Min	991,800(1)(9)	–	–	**991,800(1)(9)**
Dato' Yeoh Seok Hong	19,864,810(1)	250,000	250,000	**19,864,810(1)**
Dato' Sri Michael Yeoh Sock Siong	12,885,305(1)	–	–	**12,885,305(1)**
Dato' Yeoh Soo Keng	424,820(1)	–	–	**424,820(1)**
Dato' Mark Yeoh Seok Kah	3,116,775(1)	–	–	**3,116,775(1)**
Syed Abdullah Bin Syed Abd. Kadir	18,415(1)	–	–	**18,415(1)**

	Number of share options over ordinary shares of RM0.10 each			
	At 1 July 2010 ‡	Granted	Exercised	At 30 June 2011
Holding Company				
YTL Corporation Berhad				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	25,000,000	–	–	**25,000,000**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	–	–	**25,000,000**
Dato' Yeoh Seok Kian	17,500,000	–	–	**17,500,000**
Dato' Yeoh Soo Min	15,000,000	–	–	**15,000,000**
Dato' Yeoh Seok Hong	15,000,000	–	–	**15,000,000**
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–	–	**15,000,000**
Dato' Yeoh Soo Keng	15,000,000	–	–	**15,000,000**
Dato' Mark Yeoh Seok Kah	15,000,000	–	–	**15,000,000**
Syed Abdullah Bin Syed Abd Kadir	15,000,000	–	15,000,000	**–**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	15,000,000(1)	–	–	**15,000,000(1)**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000(2)	–	–	**2,000,000(2)**
Dato' Yeoh Seok Hong	2,000,000(1)	–	–	**2,000,000(1)**

‡ Opening balance adjusted pursuant to the subdivision of 1 ordinary share of RM0.50 each into 5 ordinary shares of RM0.10 each on 29 April 2011.

		Number of ordinary shares of RM1.00 each		
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Ultimate Holding Company				
Yeoh Tiong Lay & Sons Holdings Sdn Bhd				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	–	–	8,220,004
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Min	1,250,000	–	–	1,250,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Keng	1,250,000	–	–	1,250,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,004(1)	–	–	5,000,004(1)

		Number of ordinary shares of RM0.50 each		
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
YTL Cement Berhad				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Soo Min	225,634	–	–	225,634
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Yeoh Soo Keng	938,251	–	–	938,251
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	238,607,356(1)(5)	–	–	238,607,356(1)(5)
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	15,600(1)	–	–	15,600(1)
Dato' Yeoh Seok Kian	83,200(1)	–	–	83,200(1)
Mej. Jen. Dato' Haron Bin Mohd Taib (B)	44,428(1)	–	–	44,428(1)
Dato' Yeoh Soo Min	138,357(9)	–	–	138,357(9)
Dato' Yeoh Seok Hong	45,123(1)	–	–	45,123(1)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(1)	–	–	1,109,388(1)
Dato' Yeoh Soo Keng	90,251(1)	–	–	90,251(1)
Dato' Mark Yeoh Seok Kah	135,200(1)	–	–	135,200(1)

	Number of Irredeemable Convertible Unsecured Loan Stocks 2005/2015			
	At 1 July 2010	Acquired	Converted/ Disposed	At 30 June 2011
Related Company				
YTL Cement Berhad				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Soo Min	225,634	–	–	225,634
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Yeoh Soo Keng	818,251	–	–	818,251
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	454,310,350(1)(5)	–	–	454,310,350(1)(5)
Dato' Yeoh Seok Kian	100,000(1)	–	–	100,000(1)
Dato' Yeoh Seok Hong	45,123(1)	–	–	45,123(1)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(1)	–	–	1,109,388(1)
Dato' Mark Yeoh Seok Kah	135,200(1)	–	–	135,200(1)

	Number of share options over ordinary shares of RM0.50 each			
	At 1 July 2010	Granted	Exercised	At 30 June 2011
Related Company				
YTL Cement Berhad				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,400,000	–	–	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	–	–	1,400,000
Dato' Yeoh Seok Kian	350,000	–	–	350,000
Dato' Sri Michael Yeoh Sock Siong	1,000,000	–	–	1,000,000
Dato' Yeoh Soo Keng	700,000	–	–	700,000

	Number of ordinary shares of RM0.10 each			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
YTL e-Solutions Berhad				
Direct interests				
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	150,000	–	–	150,000
Dato' Yeoh Soo Keng	500,000	–	–	500,000
Syed Abdullah Bin Syed Abd Kadir	300,000	–	–	300,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,002,227,600(6)	1,944,400	5,000,000	999,172,000(6)
Dato' Yeoh Soo Min	1,053,800(9)	–	–	1,053,800(9)
Dato' Sri Michael Yeoh Sock Siong	1,905,500(1)	–	–	1,905,500(1)

	Number of ordinary shares of RM0.50 each			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
YTL Land & Development Berhad				
Direct interests				
Dato' Yeoh Seok Kian	–	61,538	–	**61,538**
Dato' Yeoh Soo Keng	100,000	–	–	**100,000**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	496,307,832[(6)]	1,538,461	–	**497,846,293**[(6)]
Dato' Yeoh Soo Min	574,300[(9)]	51,282	–	**625,582**[(9)]

	Number of Irredeemable Convertible Preference shares 2001/2011 of RM0.50 each[Ω]			
	At 1 July 2010	Acquired	Converted/ Disposed	At 30 June 2011
Related Company				
YTL Land & Development Berhad				
Direct interests				
Dato' Yeoh Seok Kian	240,000	–	240,000	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	6,000,000	6,000,000	–
Dato' Yeoh Soo Min	200,000[(9)]	–	200,000	–

[Ω] Shares expired on 24 April 2011 and removed from the Official List of Bursa Malaysia Securities Berhad on 25 April 2011.

	Number of ordinary shares of RM1.00 each			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
Syarikat Pelancongan Seri Andalan (M) Sdn Bhd				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	**1**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	**1**

	Number of ordinary shares of £0.01 each			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
***Infoscreen Networks Plc**				
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	**100**

	Number of ordinary shares of £0.25 each			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
***YTL Corporation (UK) Plc**				
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

	Number of ordinary shares of THB100 each			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
+YTL Construction (Thailand) Limited				
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Yeoh Seok Kian	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

	Number of ordinary shares of THB10 each			
	At 1 July 2010	Acquired	Disposed	At 30 June 2011
Related Company				
+Samui Hotel 2 Co., Ltd				
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	1	–	1
Dato' Mark Yeoh Seok Kah	–	1	–	1

* Incorporated in England & Wales
\+ Incorporated in Thailand

[1] Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.
[2] Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of the ESOS.
[3] Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad and YTL Power Services Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
[4] Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
[5] Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Industries Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act, 1965.
[6] Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.
[7] Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.
[8] Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
[9] Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain directors received remuneration from the Company's related corporations.

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the Income Statements and Statements of Financial Position of the Group and the Company were made out, the Directors took reasonable steps:

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

(b) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

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

(a) which would render the amounts written off for impairment of receivables or the amount of the provision for impairment of receivables in the financial statements of the Group and the Company inadequate to any substantial extent; or

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

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

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

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

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

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

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

In the opinion of the Directors:

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

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

ULTIMATE HOLDING COMPANY

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

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 4 October 2011.

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

Dato' Yeoh Seok Hong
Director

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	5	**14,662,559**	13,442,917	**602,996**	324,957
Cost of sales		**(12,102,331)**	(10,889,251)	–	–
Gross profit		**2,560,228**	2,553,666	**602,996**	324,957
Other operating income		**94,751**	177,413	**38,941**	20,272
Administrative expenses		**(372,119)**	(298,295)	**(36,120)**	(36,564)
Other operating expenses		**(165,271)**	(145,618)	**(26,987)**	(46,298)
Finance costs	7	**(847,495)**	(828,764)	**(196,661)**	(193,041)
Share of results of associated companies	17	**286,812**	226,513	–	–
Profit before taxation	8	**1,556,906**	1,684,915	**382,169**	69,326
Taxation	9	**(309,444)**	(476,203)	**(704)**	(2,315)
Profit for the year		**1,247,462**	1,208,712	**381,465**	67,011
Attributable to:					
– Owners of the parent		**1,364,168**	1,208,838	**381,465**	67,011
– Non-controlling interests		**(116,706)**	(126)	–	–
		1,247,462	1,208,712	**381,465**	67,011

	Note	Group 2011	Group 2010
Earnings per share for profit attributable to owners of the parent:			
– Basic (sen)	10	**18.93**	18.60
– Diluted (sen)	10	**17.47**	17.11
Dividend per ordinary share (sen) – RM0.50 each	11	**9.39**	13.13

The notes set out on pages 82 to 174 form an integral part of these financial statements.

Statements of Comprehensive Income for the financial year ended 30 June 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Profit for the year		**1,247,462**	1,208,712	**381,465**	67,011
Other comprehensive income/(loss):					
Available-for-sale reserve	29	**23,920**	–	**16,916**	–
Hedging reserve	29	**100,593**	–	–	–
Currency translation differences		**520,185**	(1,003,023)	–	–
Other comprehensive income/(loss) for the year, net of tax		**644,698**	(1,003,023)	**16,916**	–
Total comprehensive income for the year		**1,892,160**	205,689	**398,381**	67,011
Total comprehensive income/(loss) attributable to:					
– Owners of the parent		**2,008,850**	205,815	**398,381**	67,011
– Non-controlling interests		**(116,690)**	(126)	–	–
		1,892,160	205,689	**398,381**	67,011

The notes set out on pages 82 to 174 form an integral part of these financial statements.

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**16,662,340**	15,955,022	**446**	424
Prepaid lease payments	13	**–**	63,608	**–**	–
Intangible assets	14	**6,484,398**	6,148,646	**–**	–
Subsidiaries	15	**–**	–	**10,965,360**	10,965,360
Associated companies	17	**1,138,020**	992,907	**5**	5
Investments	18	**253,271**	111,043	**182,223**	96,578
Investment in preference shares	19	**492,705**	583,257	**–**	–
Derivative financial instruments	22	**2,611**	–	**–**	–
Receivables, deposits and prepayments	20	**42,228**	60,066	**–**	–
		25,075,573	23,914,549	**11,148,034**	11,062,367
Current assets					
Inventories	21	**532,380**	593,041	**–**	–
Receivables, deposits and prepayments	20	**2,361,842**	1,986,727	**6,975**	11,087
Derivative financial instruments	22	**95,904**	1,949	**–**	–
Amounts owing by subsidiaries	24	**–**	–	**975,812**	674,506
Amounts owing by related companies	38	**1,336**	2,732	**–**	2
Short term investments	25	**–**	48,393	**–**	48,393
Fixed deposits	26	**6,768,272**	7,025,387	**250,951**	562,671
Cash and bank balances	27	**410,477**	346,155	**6,622**	9,062
		10,170,211	10,004,384	**1,240,360**	1,305,721
TOTAL ASSETS		**35,245,784**	33,918,933	**12,388,394**	12,368,088

The notes set out on pages 82 to 174 form an integral part of these financial statements.

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	28	**3,639,497**	3,623,273	**3,639,497**	3,623,273
Reserves		**4,873,782**	3,586,793	**4,144,335**	4,345,109
Equity attributable to owners of the parent		**8,513,279**	7,210,066	**7,783,832**	7,968,382
Non-controlling interests		**(121,980)**	–	–	–
TOTAL EQUITY		**8,391,299**	7,210,066	**7,783,832**	7,968,382
LIABILITIES					
Non-current liabilities					
Deferred taxation	30	**2,538,545**	2,633,592	**26**	23
Bonds	31	**7,816,189**	7,740,168	**2,143,984**	2,107,240
Borrowings	32	**6,799,405**	11,041,891	**1,330,000**	1,700,000
Post-employment benefit obligations	33	**132,770**	185,866	–	–
Deferred income	34	**256,834**	218,140	–	–
Derivative financial instruments	22	**19,989**	–	–	–
Payables	35	**25,877**	5,932	–	–
		17,589,609	21,825,589	**3,474,010**	3,807,263
Current liabilities					
Payables and accrued expenses	36	**2,324,211**	2,115,082	**159,378**	292,191
Derivative financial instruments	22	**94,152**	23,749	–	–
Provision for liabilities and charges	37	**20,099**	20,660	–	–
Post-employment benefit obligations	33	**932**	676	**208**	185
Amount owing to immediate and penultimate holding company	23	**35**	65	–	–
Amounts owing to subsidiaries	24	–	–	**49,719**	–
Amounts owing to related companies	38	**103,837**	180,447	**1,247**	67
Taxation		**239,337**	142,299	–	–
Bonds	31	–	813,470	–	–
Borrowings	32	**6,482,273**	1,586,830	**920,000**	300,000
		9,264,876	4,883,278	**1,130,552**	592,443
TOTAL LIABILITIES		**26,854,485**	26,708,867	**4,604,562**	4,399,706
TOTAL EQUITY AND LIABILITIES		**35,245,784**	33,918,933	**12,388,394**	12,368,088

The notes set out on pages 82 to 174 form an integral part of these financial statements.

Group	Note	Share Capital (Note 28) RM'000	Share Premium RM'000	Merger Reserve RM'000	Currency Translation Reserve RM'000	Other Reserves (Note 29(a)) RM'000	Treasury Shares (Note 29(b)) RM'000	Retained Earnings (Note 29(c)) RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
		|------ Attributable to Owners of the Parent						------|			
At 1 July 2010		3,623,273	2,942,668	(2,138,533)	(1,758,754)	203,178	(119,967)	4,458,201	7,210,066	–	7,210,066
Adoption of new accounting policy	44	–	–	–	–	(36,711)	–	(44,922)	(81,633)	–	(81,633)
At 1 July 2010, as restated		3,623,273	2,942,668	(2,138,533)	(1,758,754)	166,467	(119,967)	4,413,279	7,128,433	–	7,128,433
Profit for the year		–	–	–	–	–	–	1,364,168	1,364,168	(116,706)	1,247,462
Other comprehensive income		–	–	–	520,169	124,513	–	–	644,682	16	644,698
Total comprehensive income for the year		–	–	–	520,169	124,513	–	1,364,168	2,008,850	(116,690)	1,892,160
Non-controlling interests arising from business combination	15(b)	–	–	–	–	–	–	–	–	(5,290)	(5,290)
Exercise of share Warrants		8,860	12,583	–	–	–	–	–	21,443	–	21,443
Exercise of share options		7,364	19,318	–	–	(1,455)	–	–	25,227	–	25,227
Final dividends paid for year ended 30 June 2010	11	–	–	–	–	–	–	(135,238)	(135,238)	–	(135,238)
Interim dividends paid for year ended 30 June 2011	11	–	–	–	–	–	–	(405,845)	(405,845)	–	(405,845)
Interim dividends declared and payable for year ended 30 June 2011	11	–	–	–	–	–	–	(135,418)	(135,418)	–	(135,418)
Shares repurchased	29(b)	–	–	–	–	–	(5)	–	(5)	–	(5)
Provision for share options	28(b)	–	–	–	–	5,832	–	–	5,832	–	5,832
Warrant reserve	28(a)	–	1,771	–	–	(1,771)	–	–	–	–	–
Share options lapsed		–	–	–	–	(29)	–	29	–	–	–
Exchange differences	29(a)	–	–	–	4,395	(4,395)	–	–	–	–	–
At 30 June 2011		3,639,497	2,976,340	(2,138,533)	(1,234,190)	289,162	(119,972)	5,100,975	8,513,279	(121,980)	8,391,299

The notes set out on pages 82 to 174 form an integral part of these financial statements.

		<------ Attributable to Owners of the Parent						------>			
Group	Note	Share Capital (Note 28) RM'000	Share Premium RM'000	Merger Reserve RM'000	Currency Translation Reserve RM'000	Other Reserves (Note 29(a)) RM'000	Treasury Shares (Note 29(b)) RM'000	Retained Earnings (Note 29(c)) RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 July 2009		2,955,140	1,774,815	(2,138,533)	(759,825)	235,280	(119,810)	4,154,857	6,101,924	126	6,102,050
Profit for the year		–	–	–	–	–	–	1,208,838	1,208,838	(126)	1,208,712
Other comprehensive income		–	–	–	(1,003,023)	–	–	–	(1,003,023)	–	(1,003,023)
Total comprehensive income for the year		–	–	–	(1,003,023)	–	–	1,208,838	205,815	(126)	205,689
Shares purchased	29(b)	–	–	–	–	–	(157)	–	(157)	–	(157)
Exercise of share warrants		474,759	657,368	–	–	–	–	–	1,132,127	–	1,132,127
Exercise of share options		5,598	13,683	–	–	(474)	–	–	18,807	–	18,807
Conversion of Bonds		187,776	485,802	–	–	(24,089)	–	–	649,489	–	649,489
Final dividend paid for year ended 30 June 2009	11	–	–	–	–	–	–	(125,240)	(125,240)	–	(125,240)
Interim dividens paid for year ended 30 June 2010	11	–	–	–	–	–	–	(510,644)	(510,644)	–	(510,644)
Interim dividends declared and payable for year ended 30 June 2010	11	–	–	–	–	–	–	(269,610)	(269,610)	–	(269,610)
Provision for share options	28(b)	–	–	–	–	7,555	–	–	7,555	–	7,555
Warrant reserve	28(a)	–	11,000	–	–	(11,000)	–	–	–	–	–
Exchange differences	29(a)	–	–	–	4,094	(4,094)	–	–	–	–	–
At 30 June 2010		3,623,273	2,942,668	(2,138,534)	(1,758,754)	203,178	(119,967)	4,458,201	7,210,066	–	7,210,066

The notes set out on pages 82 to 174 form an integral part of these financial statements.

Company	Note	Share Capital (Note 28) RM'000	Share Premium RM'000	Other Reserves (Note 29(a)) RM'000	Treasury Shares (Note 29(b)) RM'000	Retained Earnings (Note 29(c)) RM'000	Total RM'000
At 1 July 2010		3,623,273	2,942,668	132,871	(119,967)	1,389,537	7,968,382
Adoption of new accounting policy	44	–	–	27,605	–	13,468	41,073
At 1 July 2010, as restated		3,623,273	2,942,668	160,476	(119,967)	1,403,005	8,009,455
Profit for the year		–	–	–	–	381,465	381,465
Other comprehensive income		–	–	16,916	–	–	16,916
Total comprehensive income for the year		–	–	16,916	–	381,465	398,381
Exercise of share Warrants		8,860	12,583	–	–	–	21,443
Exercise of share options		7,364	19,318	(1,455)	–	–	25,227
Final dividends paid for year ended 30 June 2010	11	–	–	–	–	(135,238)	(135,238)
Interim dividends paid for year ended 30 June 2011	11	–	–	–	–	(405,845)	(405,845)
Interim dividends declared and payable for year ended 30 June 2011	11	–	–	–	–	(135,418)	(135,418)
Shares repurchased	29(b)	–	–	–	(5)	–	(5)
Provision for share options	28(b)	–	–	5,832	–	–	5,832
Warrant reserve	28(a)	–	1,771	(1,771)	–	–	–
Share options lapsed		–	–	(29)	–	29	–
At 30 June 2011		3,639,497	2,976,340	179,969	(119,972)	1,107,998	7,783,832
At 1 July 2009		2,955,140	1,774,815	136,790	(119,810)	2,228,020	6,974,955
Profit for the year		–	–	–	–	67,011	67,011
Exercise of share Warrants		474,759	657,368	–	–	–	1,132,127
Exercise of share options		5,598	13,683	(474)	–	–	18,807
Conversion of Bonds		187,776	485,802	–	–	–	673,578
Final dividends paid for the year ended 30 June 2009	11	–	–	–	–	(125,240)	(125,240)
Interim dividends paid for the year ended 30 June 2010	11	–	–	–	–	(510,644)	(510,644)
Interim dividends declared and payable for the year ended 30 June 2010	11	–	–	–	–	(269,610)	(269,610)
Shares repurchased	29(b)	–	–	–	(157)	–	(157)
Provision for share options	28(b)	–	–	7,555	–	–	7,555
Warrant reserve	28(a)	–	11,000	(11,000)	–	–	–
At 30 June 2010		3,623,273	2,942,668	132,871	(119,967)	1,389,537	7,968,382

The notes set out on pages 82 to 174 form an integral part of these financial statements.

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from operating activities					
Profit for the year		**1,247,462**	1,208,712	**381,465**	67,011
Adjustments for:					
Amortisation of grant		**(9,506)**	(6,056)	–	–
Amortisation of prepaid lease payments		–	4,604	–	–
Depreciation of property, plant and equipment		**987,958**	771,513	**126**	117
Dividend from quoted investment in Malaysia		**(640)**	(603)	–	–
Fair value changes of derivatives		**(2,038)**	–	–	–
Fair value changes of investments		**(27,656)**	–	**(27,656)**	–
Gain on disposal of investments		–	(5)	–	(2)
Ineffective portion on cash flow hedges		**4,385**	–	–	–
Interest expense		**847,495**	828,764	**196,661**	193,041
Interest income		**(13,756)**	(10,884)	–	–
Net gain on disposal of property, plant and equipment		**(8,697)**	(11,012)	**(24)**	–
Property, plant and equipment written off		**17,692**	5,399	–	–
Provision for impairment of receivables (net of reversal)		**21,642**	55,549	–	33,439
Provision for inventories obsolescence		**2,868**	6,444	–	–
Provision for liabilities and charges		**3,705**	(5,594)	–	–
Provision for retirement benefits		**29,413**	49,711	–	–
Provision/(Write back of provision) for fuel cost		**5,049**	(5,193)	–	–
Share of results of associated companies		**(286,812)**	(226,513)	–	–
Share options expenses		**5,832**	7,554	**1,286**	1,921
Taxation		**309,444**	476,203	**704**	2,315
Unrealised loss/(gain) on foreign exchange		**18,016**	2,370	**(11,264)**	(1,653)
		3,151,856	3,150,963	**541,298**	296,189
Changes in working capital:					
Inventories		**76,113**	196,401	–	–
Receivables, deposits and prepayments		**(151,030)**	57,734	**(1,043)**	(7,885)
Payables and accrued expenses		**69,856**	161,507	**23,668**	11,283
Immediate holding company		**(50,650)**	6,383	–	6,380
Subsidiaries		–	–	**(106,793)**	504,303
Related companies		**(27,121)**	80,624	**1,182**	(643)
Cash generated from operations		**3,069,024**	3,653,612	**458,312**	809,627
Interest paid		**(640,256)**	(665,280)	**(160,876)**	(148,102)
Payment to retirement benefits schemes		**(95,534)**	(104,383)	–	–
Tax (paid)/refunded		**(299,097)**	(220,016)	**4,723**	–
Net cash flow from operating activities		**2,034,137**	2,663,933	**302,159**	661,525

The notes set out on pages 82 to 174 form an integral part of these financial statements.

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from investing activities					
Development expenditure incurred		**(23,030)**	(11,599)	**(23,030)**	(11,599)
Dividends received		**89,905**	117,894	–	–
Grants received		**25,650**	25,687	–	–
Interest received		**13,265**	24,321	–	–
Proceeds from disposal of investments		**52,588**	3,814	**48,393**	2
Proceeds from disposal of property, plant and equipment		**14,845**	32,412	**24**	–
Investment in subsidiary		–	–	–	(737,000)
Purchase of investments		**(49,655)**	(1,620)	–	–
Purchase of property, plant and equipment		**(1,324,241)**	(1,611,331)	**(148)**	(375)
Acquisition of subsidiaries		**(12,541)**	–	–	–
Acquisition of associated company		**(40,664)**	–	–	–
Net cash flow (used in)/from investing activities		**(1,253,878)**	(1,420,422)	**25,239**	(748,972)
Cash flows from financing activities					
Advances to a subsidiaries		–	–	**(692,607)**	(14,067)
Dividends paid		**(810,693)**	(855,387)	**(810,693)**	(855,387)
Finance lease creditors paid		–	(26,518)	–	–
Proceeds from borrowings		**3,698,282**	4,487,472	**1,300,000**	2,480,000
Proceeds from issue of bonds		–	268,965	–	–
Proceeds from issue of shares		**48,124**	1,151,408	**48,124**	1,151,408
Repayment of bonds		**(834,330)**	–	–	–
Repayment of borrowings		**(3,308,319)**	(4,010,837)	**(1,050,000)**	(2,598,304)
Debt financing fee		**(596)**	(15,434)	–	–
Repayment by subsidiaries		–	–	**563,623**	12,367
Repurchase of own shares		**(5)**	(157)	**(5)**	(157)
Net cash flow (used in)/from financing activities		**(1,207,537)**	999,512	**(641,558)**	175,860
Net changes in cash and cash equivalents		**(427,278)**	2,243,023	**(314,160)**	88,413
Effects of exchange rate changes		**231,871**	(823,053)	–	–
Cash and cash equivalents					
– at beginning of the year		**7,326,721**	5,906,751	**571,733**	483,320
– at end of the year	27	**7,131,314**	7,326,721	**257,573**	571,733

The notes set out on pages 82 to 174 form an integral part of these financial statements.

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and the provision of administrative and technical support services. The principal activities of the subsidiaries are set out in Note 15(a) to the financial statements.

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

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

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

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

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

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

2. BASIS OF PREPARATION

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

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ('FRS') and the Companies Act, 1965. During the year, the Group and the Company had adopted new and amended FRS and IC Interpretations which are mandatory for the year beginning on or after 1 July 2010 as described in Note 2(a) to the financial statements below.

The preparation of financial statements in conformity with Financial Reporting Standards and the Companies Act, 1965 requires the use of certain critical accounting estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Company's accounting policies. Although these estimates and judgements are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

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

2. BASIS OF PREPARATION (continued)

(a) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments to published standards and IC Interpretations to the existing standards effective for the Group and the Company's financial year beginning on or after 1 July 2010 are as follow:

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
• FRS 1 (revised) 'First-time Adoption of Financial Reporting Standards'	1 July 2010
• FRS 3 (revised) 'Business Combinations'	1 July 2010
• FRS 4 'Insurance Contracts'	1 January 2010
• FRS 7 'Financial Instruments: Disclosures'	1 January 2010
• FRS 101 (revised) 'Presentation of Financial Statements'	1 January 2010
• FRS 123 (revised) 'Borrowing Costs'	1 January 2010
• FRS 127 (revised) 'Consolidated and Separate Financial Statements'	1 July 2010
• FRS 139 'Financial Instruments: Recognition and Measurement'	1 January 2010
• Amendments to FRS 139, FRS 7 & IC 9 [eligible hedged items]	1 January 2010
• Amendments to FRS 139, FRS 7 & IC 9 [reclassification of financial assets]	1 January 2010
• Amendments to FRS 139, FRS 7 & IC 9 [embedded derivatives]	1 January 2010
• Amendments to FRS 1 'First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2010
• Amendments to FRS 2 'Share-based Payment Vesting Conditions and Cancellations'	1 January 2010
• Amendments to FRS 2 'Share-based Payment'	1 July 2010
• Amendments to FRS 5 'Non-current Assets Held for Sale and Discontinued Operations' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 5 'Non-current Assets Held for Sale and Discontinued Operations'	1 July 2010
• Amendments to FRS 7 'Financial Instruments: Disclosures' [Compilation]	1 January 2010
• Amendments to FRS 8 'Operating Segments' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 127 'Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate' [Improvements to FRSs (2009)]	1 January 2010
• Amendments to FRS 128 'Investment in Associates' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 129 'Financial Reporting in Hyperinflationary Economies' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 131 'Interests in Joint Ventures' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 132 'Financial Instruments: Presentation' [Compilation]	1 January 2010
• Amendments to FRS 132 'Financial Instruments: Presentation' [Classification of Rights Issues]	1 January 2010/ 1 March 2010
• Amendments to FRS 134 'Interim Financial Reporting' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 136 'Impairment of Assets' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 138 'Intangible Assets' [Improvement to FRSs (2009)]	1 January 2010
• Amendments to FRS 140 'Investment Property' [Improvement to FRSs (2009)]	1 January 2010
• IC Interpretation 9 'Reassessment of Embedded Derivatives'	1 January 2010
• IC Interpretation 10 'Interim Financial Reporting and Impairment'	1 January 2010
• IC Interpretation 11 'FRS 2 Group and Treasury Share Transactions'	1 January 2010
• IC Interpretation 12 'Service Concession Arrangements'	1 July 2010
• IC Interpretation 13 'Customer Loyalty Programmes'	1 January 2010
• IC Interpretation 14 'FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'	1 January 2010
• IC Interpretation 16 'Hedges of a Net Investment in a Foreign Operation'	1 July 2010
• IC Interpretation 17 'Distributions of Non-cash Assets to Owners'	1 July 2010
• Amendments to IC Interpretation 9 'Reassessment of Embedded Derivatives'	1 July 2010

2. BASIS OF PREPARATION (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All new and revised FRSs adopted by the Group and the Company require retrospective application except for FRS 139 where its transitional provisions only require the recognition and remeasurement of all financial assets and financial liabilities as at 1 July 2010 as appropriate. The adjustments related to the previous carrying amounts are made to the opening retained profits and reserves as appropriate. Comparatives are not restated.

A summary of the changes and impact of the new standards, amendments to the published standards and IC Interpretations to existing standards on the financial statements of the Group and the Company is set out in Note 44 to the financial statements.

(b) Financial Reporting Standard and IC Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new or revised Financial Reporting Standards ('FRS'), amendments to FRS and IC Interpretations ('IC Int') have been issued but are not yet effective and have not been adopted by the Group and the Company:

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
• FRS 124 'Related Party Disclosures'	1 January 2012
• Amendment to FRS 1 'Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters'	1 January 2011
• Amendment to FRS 1 'Additional Exemption for First-time Adopters'	1 January 2011
• Amendment to FRS 1 'First-time Adoption of Financial Reporting Standards'	1 January 2011
• Amendment to FRS 2 'Group Cash–settled Share-based Payment Transactions'	1 January 2011
• Amendment to FRS 3 'Business Combinations'	1 January 2011
• Amendment to FRS 7 'Financial Instruments: Improving Disclosures about Financial Instruments'	1 January 2011
• Amendment to FRS 7 'Financial Instruments: Disclosures'	1 January 2011
• Amendments to FRS 101 'Presentation of Financial Statements'	1 January 2011
• Amendments to FRS 121 'The Effects of Changes in Foreign Exchange Rates'	1 January 2011
• Amendment to FRS 128 'Investment in Associates'	1 January 2011
• Amendment to FRS 131 'Interests in Joint Ventures'	1 January 2011
• Amendment to FRS 132 'Financial Instruments : Presentation'	1 January 2011
• Amendments to FRS 134 'Interim Financial Reporting'	1 January 2011
• Amendment to FRS 139 'Financial Instruments : Recognition and Measurement'	1 January 2011
• IC Interpretation 4 'Determining Whether an Arrangement contains a Lease'	1 January 2011
• IC Interpretation 18 'Transfer of Assets from Customers'	1 January 2011
• IC Interpretation 19 'Extinguishing Financial Liabilities with Equity Instruments'	1 July 2011
• Amendment to IC Interpretation 13 'Customer Loyalty Programmes'	1 January 2011
• Amendment to IC Interpretation 14 'Prepayments of a Minimum Funding Requirement'	1 July 2011

All the above FRS, amendments and IC Interpretations will be effective for the Group's and the Company's financial year beginning 1 July 2011 except the revised FRS 124 which will be effective for the financial year beginning 1 July 2012.

The adoption of the above standards, amendments to published standards and IC interpretations are not expected to have a material impact on the Group and the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Infrastructure assets are amortised in equal instalments over a period of one hundred and ten (110) years. Freehold land is not depreciated as it has an infinite life. All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over its estimated years of useful lives, summarised as follows:

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

Assets under construction are stated at cost and are not depreciated. Upon completion, assets under construction are transferred to categories of property, plant and equipment depending on nature of assets. Depreciation on property, plant and equipment under construction commences when the property, plant and equipment are ready for their intended use. Depreciation of property, plant and equipment ceases at the earlier of derecognition and classification as held for sale.

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Leases

(i) *Accounting by lessee*

Finance lease

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

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

When assets are leased out under an operating lease, the asset is included in the Statements of Financial Position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight line basis. The assets are depreciated in accordance with the relevant accounting policy for property, plant and equipment.

Operating lease

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

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

(ii) *Accounting by lessor*

Operating lease

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

(c) Intangible assets – Goodwill

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

Goodwill is measured at cost less any accumulated impairment losses. When the excess is negative (negative goodwill), it is recognised immediately in the profit or loss.

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. See accounting policy Note 3(d) to the financial statements on impairment of non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of non-financial assets

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

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

(e) Subsidiaries

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

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

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

- The Group has taken advantage of the exemption provided by FRS 3 to apply this Standard prospectively. Accordingly, business combinations entered prior to the respective effective dates have not been restated to comply with this Standard.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Subsidiaries (continued)

(i) Acquisition method

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the cost of acquisition over the fair value of the Group's share of the subsidiaries' identifiable net assets acquired is reflected as goodwill. Goodwill is retained in the Consolidated Statements of Financial Position at cost. Where an indication of impairment exists, the carrying amount of the net asset is assessed and written down immediately to its recoverable amount.

The excess of the fair value of the Group's share of the subsidiaries' identifiable net assets over the cost of acquisition at the date of acquisition is recognised directly in the profit or loss.

(ii) Merger method

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

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

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

(iii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Associated companies

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

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

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

The results of associated companies are taken from the most recent financial statements of the associated companies' concerned, made up to dates not more than three months prior to the end of the year of the Group.

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

(g) Joint ventures

(i) Jointly controlled entities

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

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

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

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

(ii) Jointly controlled operations

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

(i) Development expenditure

Development expenditure incurred is capitalised when it meets certain criteria that indicate that it is probable that the costs will give rise to future economic benefits and are amortised over the period of the projects. They are written down to their recoverable amounts when there is insufficient certainty that future economic benefit will flow to the enterprise.

(j) Trade and other receivables

Trade and other receivables are carried at original invoiced amounts less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Inventories comprise primarily of fuel and spare parts. The cost of work in progress comprises raw materials, direct labour, other direct costs and related overheads. It excludes borrowing costs.

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

(l) Financial assets

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

(i) Financial Assets at Fair Value through Profit or Loss ('FVTPL')

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

Changes in the fair values of financial assets at fair value through profit or loss are recognised in the profit or loss in the period in which the changes arise.

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

(ii) Loans and Receivables

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

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) *Available-for-sale Financial Assets*

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

Changes in the fair values of available-for-sale investments are recognised in other comprehensive income. When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to the profit or loss.

(iv) *Derecognition*

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

(v) *Offsetting Financial Instruments*

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(vi) *Impairment of financial assets*

(a) *Assets carried at amortised cost*

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

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

(b) *Assets classified as available-for-sale*

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

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

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

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

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 22 to the financial statements. Movements on the hedging reserve in other comprehensive income are shown in Note 29(a)(iv) to the financial statements. The full fair value of a hedging derivative is classified as non-current asset or liability when the remaining hedged item is more than 12 months, and as current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current asset or liability.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the profit or loss within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the profit or loss within 'other gains/(losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the profit or loss within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within 'other gains/(losses) – net'.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(ii) Cash flow hedge (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss within 'other gains/(losses) – net'.

(n) Financial guarantee

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

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

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

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

(o) Cash and cash equivalents

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

(p) Share capital

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

The portion of a convertible bond representing the value of the conversion option at the time of issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the bond to equity shares, the amount credited to share capital and share premium is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised. If the bond is redeemed, the conversion option is transferred to retained earnings.

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

Dividends to shareholders are recognised in equity in the period in which they are declared.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share capital (continued)

Purchase of own shares

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

(q) Bonds and borrowings

Bonds and borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. Subsequently, bonds and borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the bonds and borrowings.

Interest relating to a financial instrument classified as a liability is reported within finance cost in the profit or loss.

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

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

(r) Grants and contributions

Grants and contributions in respect of specific qualifying expenditure on property, plant and equipment are included in non-current liability as deferred income. The income is recognised in the profit or loss over the expected useful economic lives of the related assets or otherwise to match them with the related costs which they are intended to compensate, on a systematic basis.

(s) Provisions

The Group recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate.

(t) Restructuring provision

Restructuring provision mainly comprises employee termination payments, and is recognised in the year in which the Group becomes legally or constructively committed to the payment. Future operating costs are not provided for. Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy and the number of employees affected, or after individual employees have been advised of the specific terms. Costs related to the on-going activities of the Group are not provided in advance. Any property, plant and equipment that are no longer required for their original use are transferred to current assets and carried at the lower of its carrying amount and estimated net realisable value.

(u) Revenue recognition

(i) Sale of electricity

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition (continued)

(ii) Sale of physical fuel oil

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

(iii) Sale of steam

Revenue is recognised upon delivery of steam.

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

Revenue from supply of clean water and treatment and disposal of waste water represents the amounts (excluding value added tax, where applicable) derived from the provision of goods and services to third party customers. The Group has chosen not to recognise as turnover the bills raised for customers who have a record of two years non payment.

(v) Tank leasing fees and others

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

(vi) Broadband and telecommunications revenue

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

(vii) Other revenues

Other revenues earned by the Group are recognised on the following bases:

Dividend income	–	When the shareholders' right to receive payment is established.
Interest income	–	On an effective yield basis.
Management fees	–	When services are rendered and invoiced, net of service taxes.
Operation and maintenance fees	–	When services are rendered and invoiced.

(v) Employee benefits

(i) Short term employee benefits

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

(ii) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee benefits (continued)

(iii) Defined contribution plan

The Group's contributions to defined contribution plan are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iv) Defined benefit plan

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

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

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

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

(v) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted and the number of share options to be vested by vesting date. At each reporting date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity. For options granted to subsidiaries, the expense will be recognised in the subsidiaries' financial statements over the vesting periods of the grant.

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

(w) Income taxes

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

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at that time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Income taxes (continued)

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

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

(x) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statements of Financial Position presented are translated at the closing rate at the date of that Statements of Financial Position;

- income and expenses for each Income Statement are translated at average exchange rates; and

- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in other comprehensive income are recognised in the profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2006, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions.

(y) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as set out in Note 14 to the financial statements.

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

The Group reviews annually the estimated residual value and useful lives of its assets based on factors such as business plans and strategies, expected level of usage and future regulatory changes. It is possible that the future results of operations could be materially affected by changes in this estimate.

During the year, the estimated residual value of certain property, plant and equipment with a net book value of RM1.4 billion was reviewed and the impact on the change of the estimates are set out in Note 12 to the financial statements. A change in the residual value on this asset by 10% will increase the annual depreciation charge by RM15.3 million.

(c) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

(d) Share based payments

Equity-settled share based payments are measured at fair value at the grant date. The Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each reporting date. The assumption of the valuation model used to determine fair value is set out in Note 28 to the financial statements.

(e) Estimated pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 33 to the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(f) Estimate impairment of property, plant and equipment and investments

The Group management follows its accounting policy set out in Note 3(d) to the financial statements in determining when property, plant and equipment and investment are considered impaired.

Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amount of these assets exceeds the recoverable amounts. In determining the recoverable amount of these assets, certain estimates regarding the cash flows of these assets are made.

5. REVENUE

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Sale of electricity	**10,280,326**	9,183,171	–	–
Sale of water, treatment and disposal of waste water	**2,293,708**	2,455,967	–	–
Sale of fuel oil	**1,776,564**	1,571,456	–	–
Sale of steam	**150,795**	97,620	–	–
Tank leasing fees and others	**28,868**	25,949	–	–
Broadband and telecommunications revenue	**26,603**	–	–	–
Interest income	**34,176**	33,545	**33,270**	58,939
Dividends:				
– unquoted investment in subsidiaries	–	–	**539,141**	233,889
– unquoted investment outside Malaysia	**34,508**	36,232	–	–
– quoted investments in Malaysia	**5,585**	5,882	**5,585**	5,882
Management fees	**3,680**	4,035	**25,000**	25,000
Royalty income	–	–	–	1,247
Operation and maintenance fees	**27,746**	29,060	–	–
	14,662,559	13,442,917	**602,996**	324,957

6 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Key management compensation				
– Wages, salaries and bonus	**21,150**	12,780	**8,580**	5,950
– Defined contribution plan	**2,529**	1,534	**1,030**	714
– Fees	**320**	320	**320**	320
– Share options expenses	**2,260**	3,391	**931**	1,396
Included in key management compensation is the Directors' remuneration (whether executive or otherwise) as disclosed in Note 8 to the financial statements				

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

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

6 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of goods and services				
– Subsidiaries	–	–	25,000	26,248
– Related companies	5,366	–	–	–
Dividend income				
– Subsidiaries	–	–	539,141	233,889
– Related companies	4,109	4,220	4,109	4,220
Interest income				
– Subsidiaries – in respect of loan and advances	–	–	21,076	36,493
– Subsidiaries – in respect of payment on behalf	–	–	–	3,286
Purchases of goods and services from subsidiaries and related companies				
– Building infrastruture	–	38,000	–	–
– Computers equipment and software	1,123	–	–	–
– Hotel and accommodation	10,555	7,001	6,451	1,147
– Information technology related services	113	21,001	–	–
– Limestone	3,337	–	–	–
– Operating and maintenance agreement	91,000	202,881	–	–
– Rental of land and building	5,526	1,920	–	–
– Telecomunications related charges	50,000	20,000	–	–
– Travelling fares and motor vehicle maintenance	7,325	8,217	5,873	6,617
Acquisition of subsidiary from				
– Related companies	18,000	–	–	–
Expenses paid on behalf of				
– Subsidiaries	–	–	65,697	25,147
Expenses paid on behalf by				
– Subsidiaries	–	–	66,011	12,554
– Immediate holding company	3,235	2,807	–	–
– Related companies	16,866	31,573	4,845	8,612
Subsidiaries and related companies year-end balances arising from:				
– Sales of goods/services	1,108	2,593	–	51,249
– Purchases of goods/services	90,944	180,010	1,247	–
– Expenses paid on behalf	–	–	54,548	75,736
– Dividend receivable	–	–	147,210	–

6. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

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

	Company	
	2011 RM'000	2010 RM'000
Advances to subsidiaries		
At 1 July	**531,684**	493,491
Advances during the year	**692,607**	14,067
Repayments during the year	**(563,623)**	(12,367)
Interest charged	**21,076**	36,493
At 30 June	**681,744**	531,684

7. FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest on borrowings	**847,495**	828,764	**196,661**	193,041

8. PROFIT BEFORE TAXATION

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before taxation is stated after charging/(crediting):				
Amortisation of grant	**(9,506)**	(6,056)	–	–
Amortisation of prepaid lease payments	–	4,604	–	–
Auditors' remuneration				
– statutory audit fees paid to PricewaterhouseCoopers (Malaysia)	**380**	316	**303**	252
– statutory audit fees paid to PricewaterhouseCoopers (Overseas)	**501**	419	–	–
– statutory audit fees paid to other audit firms	**1,549**	1,550	–	–
Depreciation of property, plant and equipment	**987,958**	771,513	**126**	117
Development expenditure	**23,030**	11,599	**23,030**	11,599
Directors' remuneration	**27,625**	19,507	**12,226**	9,863
Dividends from quoted investments in Malaysia	**(640)**	(603)	–	–
Fair value changes in derivatives	**(2,038)**	–	–	–
Fair value changes on investments	**(27,656)**	–	**(27,656)**	–
Ineffective portion on cash flow hedges	**4,385**	–	–	–
Interest income	**(13,756)**	(10,884)	–	–
Liquidated damages received	–	(97,924)	–	–
Net gain on disposal of property, plant and equipment	**(8,697)**	(11,012)	**(24)**	–
Property, plant and equipment written off	**17,692**	5,399	–	–
Provision for impairment of receivables (net of reversal)	**21,642**	55,549	–	33,439
Provision for inventories obsolescence	**2,868**	6,444	–	–
Provision/(Write back of provision) of fuel cost	**5,049**	(5,193)	–	–
Realised loss/(gain) on foreign exchange	**24,425**	535	–	(18,616)
Rental of land and building	**77,678**	6,307	–	–
Rental of plant, equipment and machinery	**2,183**	2,179	–	–
Staff costs				
– wages, salaries and bonus	**387,902**	249,799	**9,721**	8,080
– defined contribution plan	**13,937**	12,779	**965**	812
– defined benefit plan	**29,413**	49,711	–	–
– share options expenses	**3,382**	3,864	**155**	226
Unrealised loss/(gain) on foreign exchange	**18,016**	2,370	**(11,264)**	(1,653)

8. PROFIT BEFORE TAXATION (continued)

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

	Salaries RM'000	Fees RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Year ended 30 June 2011					
Group					
Executive Directors	**12,051**	**360**	**9,810**	**5,142**	**27,363**
Non–Executive Directors	–	**220**	–	**42**	**262**
Company					
Executive Directors	**5,681**	**360**	**3,610**	**2,313**	**11,964**
Non–Executive Directors	–	**220**	–	**42**	**262**
Year ended 30 June 2010					
Group					
Executive Directors	8,675	360	4,800	5,373	19,208
Non–Executive Directors	–	260	–	39	299
Company					
Executive Directors	4,545	360	2,100	2,559	9,564
Non–Executive Directors	–	260	–	39	299

The number of Directors of the Group and of the Company whose total remuneration fall within the following bands for the year ended 30 June 2011 are as follows:

	Group No. of Directors		Company No. of Directors	
Range of remuneration	**Executive**	**Non-Executive**	**Executive**	**Non-Executive**
Below RM50,000	–	1	–	1
RM50,001 – RM100,000	–	2	3	2
RM100,001 – RM150,000	–	1	–	1
RM200,001 – RM250,000	1	–	1	–
RM250,001 – RM300,000	–	–	1	–
RM500,001 – RM550,000	1	–	–	–
RM1,100,001 – RM1,150,000	1	–	1	–
RM2,400,001 – RM2,450,000	–	–	1	–
RM2,600,001 – RM2,650,000	–	–	1	–
RM2,700,001 – RM2,750,000	1	–	–	–
RM3,300,001 – RM3,350,000	1	–	–	–
RM4,400,001 – RM4,450,000	1	–	–	–
RM4,550,001 – RM4,600,000	1	–	–	–
RM5,050,001 – RM5,100,000	1	–	–	–
RM5,200,001 – RM5,250,000	–	–	1	–
RM5,400,001 – RM5,450,000	1	–	–	–

* Included in the remuneration of Directors of the Group and Company are contributions to a defined contribution plan and share options expenses charged to the profit or loss amounting to RM2,635,350 and RM2,459,920 (2010: RM1,637,850 and RM3,689,881) and RM1,136,250 and RM1,130,234 (2010: RM818,250 and RM1,695,351) respectively.

9. TAXATION

Taxation charge for the year:

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current tax				
– Malaysian income tax	**99,882**	95,680	**701**	2,315
– Foreign income tax	**313,808**	238,458	**–**	–
Deferred tax (Note 30)	**(104,246)**	142,065	**3**	–
	309,444	476,203	**704**	2,315
Current tax				
Current year	**437,965**	348,183	**875**	2,273
(Over)/Under provision in prior years	**(24,275)**	(14,045)	**(174)**	42
Deferred tax				
Originating and reversal of temporary differences	**(104,239)**	115,975	**3**	–
(Over)/Under accrual in prior years	**(7)**	26,090	**–**	–
	309,444	476,203	**704**	2,315

The explanation of the relationship between tax expense and profit from ordinary activities before tax is as follows:

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation	**1,556,906**	1,684,915	**382,169**	69,326
Tax calculated at the Malaysian tax rate 25% (2010: 25%)	**389,227**	421,229	**95,542**	17,332
Tax effects of:				
Share of results of associated companies	**(71,703)**	(56,628)	**–**	–
Different tax rates in other countries including remeasuring of deferred tax *	**(148,281)**	(30,640)	**–**	–
Non-deductible expenses	**181,160**	152,092	**40,121**	17,493
Income not subject to tax	**(16,677)**	(21,895)	**(134,785)**	(32,552)
(Over)/Under provision in prior years in relation to current and deferred tax	**(24,282)**	12,045	**(174)**	42
Tax expenses	**309,444**	476,203	**704**	2,315

* During the year, a subsidiary resides in a foreign country had announced the reduction in its corporation tax rate from 28% to 26% with effect from 1 April 2011. This change reduced the effective corporation tax rate to 27.5% for the year to 30 June 2011 and correspondingly reduced the deferred tax liability by RM95.9 million. Further, a reduction in the corporation tax rate by 1% per annum to 23% by 1 April 2014 was also announced, but these changes were not substantially enacted by 30 June 2011, and the impact has not been included above.

10. EARNINGS PER SHARE ('EPS')

(a) Basic EPS

	Group 2011	Group 2010
Profit attributable to owners of the parent (RM'000)	**1,364,168**	1,208,838
Weighted average number of ordinary shares in issue ('000)	**7,207,075**	6,499,137
Basic EPS (sen)	**18.93**	18.60

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

(b) Diluted EPS

	Group 2011	Group 2010
Profit attributable to owners of the parent (RM'000)	**1,364,168**	1,208,838
Profit used to determine diluted EPS (RM'000)	**1,364,168**	1,208,838
Weighted average number of ordinary shares in issue ('000)	**7,207,075**	6,499,137
Adjustments for:		
– conversion of Warrants ('000)	**569,501**	538,099
– ESOS ('000)	**30,954**	28,205
Weighted average number of ordinary shares for diluted earnings per share ('000)	**7,807,530**	7,065,441
Diluted EPS (sen)	**17.47**	17.11

As at 30 June 2011, the Company had 1,184,765,536 (2010: 1,202,486,719) Warrants, whose terms of conversion are set out in Note 28(a) to the financial statements, still unexercised. FRS 133 'Earnings per share' prescribes that Warrants are dilutive when they are issued for no consideration or when they would result in the issue of ordinary shares for less than its fair value.

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

11. DIVIDENDS

	2011		2010	
	Gross dividend per share Sen	Amount of dividend RM'000	Gross dividend per share Sen	Amount of dividend RM'000
Dividends paid in respect of the year ended 30 June 2009:				
– Final single tier dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 24 December 2009	–	–	1.88	125,240
Dividends paid in respect of the year ended 30 June 2010:				
– First interim single tier dividend of 7.5% or 3.75 sen per ordinary share of 50 sen each paid on 21 January 2010	–	–	3.75	251,256
– Second interim single tier dividend of 7.5% or 3.75 sen per ordinary share of 50 sen each paid on 31 March 2010	–	–	3.75	259,388
– Third interim single tier dividend of 7.5% or 3.75 sen per ordinary share of 50 sen each paid on 15 July 2010	–	–	3.75	269,610
Dividends paid in respect of the year ended 30 June 2010:				
– Final single tier dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 23 December 2010	**1.88**	**135,238**	–	–
Dividends paid in respect of the year ended 30 June 2011:				
– First interim single tier dividend of 7.5% or 3.75 sen per ordinary share of 50 sen each paid on 21 January 2011	**3.75**	**270,494**	–	–
– Second interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 31 March 2011	**1.88**	**135,351**	–	–
– Third interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 15 July 2011	**1.88**	**135,418**	–	–
	9.39	**676,501**	13.13	905,494

A fourth interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each has been declared for payment on 24 November 2011. The Directors do not recommend the payment of a final dividend for the financial year ended 30 June 2011.

12. PROPERTY, PLANT AND EQUIPMENT

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

Group	Land and buildings RM'000	Infrastructure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles and aircraft RM'000	Telecommuni–cations equipment RM'000	Assets under construction RM'000	Total RM'000
2011											
Cost											
At 1 July 2010	3,829,906	4,535,638	10,534,961	22,699	513,075	24,672	4,795	82,936	104	842,814	20,391,600
Exchange differences	(16,504)	(40,314)	168,521	–	(4,555)	597	78	(159)	–	(1,836)	105,828
Additions	7,683	133,784	229,122	–	18,895	3,652	2,520	39,025	749	1,122,908	1,558,338
Disposals	(2,447)	–	(15,220)	–	(1)	(2,287)	–	(4,806)	–	–	(24,761)
Written off	(3,956)	–	(111,836)	–	(1,992)	(2,840)	–	–	(80)	–	(120,704)
Transfer on commissioning	25,575	53,442	304,382	–	14,283	5,427	2,266	–	923,125	(1,328,500)	–
Reclassified from prepaid lease payments (Note 13)	74,065	–	–	–	–	–	–	–	–	–	74,065
At 30 June 2011	3,914,322	4,682,550	11,109,930	22,699	539,705	29,221	9,659	116,996	923,898	635,386	21,984,366
Accumulated depreciation											
At 1 July 2010	946,010	147,518	3,111,470	17,592	178,867	16,286	1,733	17,092	10	–	4,436,578
Exchange differences	(3,435)	(1,627)	15,114	–	(1,659)	276	51	(61)	–	–	8,659
Charge for the year	129,237	42,841	751,249	614	26,920	5,371	852	8,386	22,488	–	987,958
Disposals	(2,447)	–	(10,370)	–	(1)	(2,269)	–	(3,527)	–	–	(18,614)
Written off	(301)	–	(99,017)	–	(786)	(2,834)	–	–	(74)	–	(103,012)
Reclassified from prepaid lease payments (Note 13)	10,457	–	–	–	–	–	–	–	–	–	10,457
At 30 June 2011	1,079,521	188,732	3,768,446	18,206	203,341	16,830	2,636	21,890	22,424	–	5,322,026
Net book value											
At 30 June 2011	2,834,801	4,493,818	7,341,484	4,493	336,364	12,391	7,023	95,106	901,474	635,386	16,662,340

No borrowing costs arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year. The Group has revised the useful life and residual value of certain property, plant and equipment. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the current financial year has increased by RM84,156,983.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Land and buildings RM'000	Infrastructure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles and aircraft RM'000	Telecom-munications equipment RM'000	Assets under construction RM'000	Total RM'000
2010											
Cost											
At 1 July 2009	4,299,657	5,240,425	9,026,406	22,699	505,224	23,023	2,953	64,914	57	2,289,370	21,474,728
Exchange differences	(554,085)	(865,877)	(970,454)	–	(88,515)	(562)	(56)	(3,402)	–	(84,200)	(2,567,151)
Additions	26,522	114,199	134,889	–	26,766	1,729	1,935	54,546	48	1,208,741	1,569,375
Disposals	–	–	(16,197)	–	–	–	(17)	(33,131)	–	–	(49,345)
Written off	(5,070)	–	(30,905)	–	(14)	(6)	(20)	9	(1)	–	(36,007)
Transfer on commissioning	62,882	46,891	2,391,222	–	69,614	488	–	–	–	(2,571,097)	–
At 30 June 2010	3,829,906	4,535,638	10,534,961	22,699	513,075	24,672	4,795	82,936	104	842,814	20,391,600
Accumulated depreciation											
At 1 July 2009	929,853	129,077	2,836,020	16,457	186,062	11,727	991	27,236	1	–	4,137,424
Exchange differences	(85,878)	(24,774)	(271,607)	–	(30,352)	(226)	(26)	(943)	–	–	(413,806)
Charge for the year	103,886	43,215	587,832	1,135	23,160	4,786	769	6,721	9	–	771,513
Disposals	–	–	(12,013)	–	–	–	(1)	(15,931)	–	–	(27,945)
Written off	(1,851)	–	(28,762)	–	(3)	(1)	–	9	–	–	(30,608)
At 30 June 2010	946,010	147,518	3,111,470	17,592	178,867	16,286	1,733	17,092	10	–	4,436,578
Net book value											
At 30 June 2010	2,883,896	4,388,120	7,423,491	5,107	334,208	8,386	3,062	65,844	94	842,814	15,955,022

Borrowing costs of RM22,007,395, arising on financing specifically entered into for the construction of property, plant and equipment, were capitalised in the financial year 2010 and included in additions of the Group in the financial year 2010.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Land and buildings of the Group are as follows:

Group	Leasehold Land RM'000	Freehold Land RM'000	Buildings RM'000	Total RM'000
2011				
Cost				
At 1 July 2010	–	**58,955**	**3,770,951**	**3,829,906**
Exchange differences	**1,706**	**(485)**	**(17,725)**	**(16,504)**
Additions	–	**1,015**	**6,668**	**7,683**
Disposals	–	–	**(2,447)**	**(2,447)**
Written off	–	–	**(3,956)**	**(3,956)**
Transfer on commissioning	–	–	**25,575**	**25,575**
Reclassified from prepaid lease payments (Note 13)	**74,065**	–	–	**74,065**
At 30 June 2011	**75,771**	**59,485**	**3,779,066**	**3,914,322**
Accumulated depreciation				
At 1 July 2010	–	–	**946,010**	**946,010**
Exchange differences	**140**	–	**(3,575)**	**(3,435)**
Charge for the year	**4,552**	–	**124,685**	**129,237**
Disposals	–	–	**(2,447)**	**(2,447)**
Written off	–	–	**(301)**	**(301)**
Reclassified from prepaid lease payments (Note 13)	**10,457**	–	–	**10,457**
At 30 June 2011	**15,149**	–	**1,064,372**	**1,079,521**
Net book value				
At 30 June 2011	**60,622**	**59,485**	**2,714,694**	**2,834,801**
Group				
2010				
Cost				
At 1 July 2009	–	63,385	4,236,272	4,299,657
Exchange differences	–	(10,414)	(543,671)	(554,085)
Additions	–	5,984	20,538	26,522
Written off	–	–	(5,070)	(5,070)
Transfer on commissioning	–	–	62,882	62,882
At 30 June 2010	–	58,955	3,770,951	3,829,906
Accumulated depreciation				
At 1 July 2009	–	–	929,853	929,853
Exchange differences	–	–	(85,878)	(85,878)
Charge for the year	–	–	103,886	103,886
Written off	–	–	(1,851)	(1,851)
At 30 June 2010	–	–	946,010	946,010
Net book value				
At 30 June 2010	–	58,955	2,824,941	2,883,896

The net book value of assets of the Group held under finance leases amounted to RM250,551,754 (2010: RM291,754,961).

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Company					
2011					
Cost					
At 1 July 2010	35	288	20	1,220	1,563
Additions	–	–	–	148	148
Disposals	–	–	–	(530)	(530)
At 30 June 2011	35	288	20	838	1,181
Accumulated depreciation					
At 1 July 2010	35	187	20	897	1,139
Charge for the year	–	52	–	74	126
Disposals	–	–	–	(530)	(530)
At 30 June 2011	35	239	20	441	735
Net book value					
At 30 June 2011	–	49	–	397	446
Company					
2010					
Cost					
At 1 July 2009	35	216	20	917	1,188
Additions	–	72	–	303	375
At 30 June 2010	35	288	20	1,220	1,563
Accumulated depreciation					
At 1 July 2009	35	140	20	827	1,022
Charge for the year	–	47	–	70	117
At 30 June 2010	35	187	20	897	1,139
Net book value					
At 30 June 2010	–	101	–	323	424

13. PREPAID LEASE PAYMENTS

	Group 2011 RM'000	2010 RM'000
Cost		
At 1 July	**74,065**	77,243
Exchange differences	**–**	(3,178)
Reclassified to property, plant and equipment (Note 12)	**(74,065)**	–
At 30 June	**–**	74,065
Accumulated amortisation		
At 1 July	**10,457**	6,061
Exchange differences	**–**	(208)
Amortisation	**–**	4,604
Reclassified to property, plant and equipment (Note 12)	**(10,457)**	–
At 30 June	**–**	10,457
Net Book value		
At 30 June	**–**	63,608

The prepaid lease payments comprise upfront payments for short term leasehold land.

Prepaid lease payments have been reclassified to property, plant and equipment as a result of adoption of Amendment to FRS117 Leases as disclosed in the Note 44(c) to the financial statements.

14. INTANGIBLE ASSETS

	Group 2011 RM'000	2010 RM'000
Goodwill on consolidation:		
At 1 July	**6,148,646**	6,408,936
Exchange differences	**327,818**	(260,290)
Acquisition of subsidiaries	**7,934**	–
At 30 June	**6,484,398**	6,148,646

14. INTANGIBLE ASSETS (continued)

Impairment test for goodwill

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

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

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

	Group	
	2011 RM'000	2010 RM'000
PowerSeraya Limited (Singapore)	**6,035,038**	5,707,221
Wessex Water Limited (United Kingdom ('UK'))	**440,700**	440,700
Others	**8,660**	725
Total goodwill	**6,484,398**	6,148,646

The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management judgement.

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

The following assumption has been applied in the value-in-use calculation:

	2011		2010	
	Singapore %	UK %	Singapore %	UK %
Pre-tax discount	**6.8**	**6.1**	5.5	6.1
Terminal growth rate	**(0.8)**	**(0.2)**	(2.5)	1.3
Revenue growth	**3.0**	**6.1**	5.4	2.2

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

The discount rates used are pre-tax and reflect specific risks relating to the CGU. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of the assessment of the respective CGU.

14. INTANGIBLE ASSETS (continued)

(b) Impact of possible change in key assumption

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

The circumstances where a reasonable possible change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying values, having incorporated the consequential effects on other variables, are as follows:

	2011		2010	
	Singapore	UK	Singapore	UK
	%	%	%	%
Pre-tax discount	**9.4**	**10.7**	7.2	9.8
Terminal growth rate	**(5.1)**	**(1.8)**	(5.6)	(0.3)
Revenue growth	**1.7**	**(11.0)**	4.9	(7.3)

No impairment loss was recognised for the year ended 30 June 2011 for the goodwill assessed as their recoverable values were in excess of their carrying values.

15. SUBSIDIARIES

(a) Investment in subsidiaries

	Company	
	2011	2010
	RM'000	RM'000
Unquoted shares, at cost	**10,965,360**	10,965,360

15. SUBSIDIARIES (continued)

The subsidiaries are as follows:

Name of company	Country of incorporation	Group's effective interest 2011	Group's effective interest 2010	Principal activities
		%	%	
YTL Communications Sdn Bhd *	Malaysia	**60**	60	Provision of wired line and wireless broadband access and other related services
Extiva Communications Sdn Bhd @&	Malaysia	**60**	–	Developing and marketing VoIP telephony and other advanced network media appliances for the service provider and enterprise telephony market
YTL Power Generation Sdn Bhd	Malaysia	**100**	100	Developing, constructing, completing, maintaining and operating power plants
YTL Power International Holdings Limited *	Cayman Islands	**100**	100	Investment holding
YTL Power Australia Limited *	Cayman Islands	**100**	100	Investment holding
YTL Power Finance (Cayman) Limited *	Cayman Islands	**100**	100	Investment holding
YTL-CPI Power Limited *	Hong Kong	**51**	51	Dormant
YTL Seraya Limited *	Cayman Islands	**100**	100	Investment holding
YTL Utilities Holdings (S) Pte. Limited *	Singapore	**100**	100	Investment holding
YTL Utilities (S) Pte. Limited *	Singapore	**100**	100	Investment holding
YTL PowerSeraya Pte. Limited *	Singapore	**100**	100	Investment holding
PowerSeraya Limited **	Singapore	**100**	100	Own and operate energy facilities and services (full value chain of electricity generation including trading of physical fuels and fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process)

15. SUBSIDIARIES (continued)

Name of company	Country of incorporation	Group's effective interest 2011	Group's effective interest 2010	Principal activities
		%	%	
Seraya Energy Pte Ltd **‡	Singapore	**100**	100	Sale of electricity
Seraya Energy and Investment Pte Ltd **‡	Singapore	**100**	100	Investment holding
PetroSeraya Pte Ltd **‡	Singapore	**100**	100	Oil trading and oil tank leasing
YTL Utilities Limited *	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance Limited *	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 2 Limited	Cayman Islands	**100**	100	Investment holding *
YTL Utilities Finance 3 Limited *	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 4 Limited *	Cayman Islands	**100**	100	Financial services
YTL Utilities Finance 5 Limited *	Cayman Islands	**100**	100	Financial services
YTL Utilities Finance 6 Limited *	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 7 Limited (formerly known as YTL Jordan Energy Limited) @	Cayman Islands	**100**	–	Dormant
YTL Utilities Holdings Limited *	Cayman Islands	**100**	100	Investment holding
Wessex Water International Limited	Cayman Islands	**100**	100	Dormant
YTL Utilities (UK) Limited *	England and Wales	**100**	100	Investment holding
YTL Events Limited *	England and Wales	**100**	100	Providing public entertainment, events and public relations services
Wessex Water Limited *	England and Wales	**100**	100	Investment holding
Wessex Water Services Limited *#	England and Wales	**100**	100	Water supply and waste water services
SC Technology GmbH *#	Switzerland	**100**	100	Waste treatment processes
SC Technology Nederlands B.V. *#	Netherlands	**100**	100	Waste treatment processes

15. SUBSIDIARIES (continued)

Name of company	Country of incorporation	Group's effective interest 2011	Group's effective interest 2010	Principal activities
		%	%	
SC Technology Deutschland GmbH *#	Germany	**100**	100	Waste treatment processes
Geneco Limited *#	England & Wales	**100**	100	Dormant
YTL ECOGreen Pte Ltd *	Singapore	**100**	100	Dormant
YTL Communications International Ltd *&	Cayman Islands	**60**	60	Investment holding
YTL Global Networks Ltd &	Cayman Islands	**60**	60	Dormant
Wessex Electricity Utilities Limited *#	England and Wales	**100**	100	Dormant
Wessex Water Utility Solutions Limited *#	England and Wales	**100**	100	Dormant
Wessex Water Services Finance Plc *#	England and Wales	**100**	100	Issue of bonds
Wessex Water Enterprises Limited *#	England and Wales	**100**	100	Water supply and waste water services
Wessex Engineering & Construction Services Limited *#	England and Wales	**100**	100	Engineering and construction services
Wessex Promotions Limited *#	England and Wales	**100**	100	Entertainment promotion
Wessex Water Pension Scheme Trustee Limited *#	England and Wales	**100**	100	Management of Wessex Water Pension Scheme
Wessex Water Commercial Limited *#	England and Wales	**100**	100	Dormant
Wessex Property Services Limited *#	England and Wales	**100**	100	Dormant
Wessex Water Trustee Company Limited *#	England and Wales	**100**	100	Dormant
Wessex Water Engineering Services Limited *#	England and Wales	**100**	100	Dormant

15. SUBSIDIARIES (continued)

Name of company	Country of incorporation	Group's effective interest 2011	Group's effective interest 2010	Principal activities
		%	%	
Wessex Spring Water Limited *#	England and Wales	**100**	100	Dormant
Wessex Logistics Limited *#	England and Wales	**100**	100	Dormant
YTL Engineering Limited *#	England and Wales	**100**	100	Dormant
YTL Services Limited *#	England and Wales	**100**	100	Dormant
YTL Jawa Power Holdings Limited *	Cyprus	**100**	100	Investment holding
YTL Jawa Power Finance Limited *^	Cayman Islands	**100**	100	Investment holding
YTL Jawa Power Holdings B.V. *^	Netherlands	**100**	100	Investment holding
YTL Jawa Power B.V. *^	Netherlands	**100**	100	Investment holding
YTL Jawa O & M Holdings Limited *	Cyprus	**100**	100	Investment holding
YTL Jawa O & M Holdings B.V. *o	Netherlands	**100**	100	Investment holding
YTL Jawa Power Services B.V. *o	Netherlands	**100**	100	Investment holding
P.T. YTL Jawa Timur *o	Indonesia	**100**	100	Construction management, consultancy services and power station operation services

* *Audited by a firm other than member firm of PricewaterhouseCoopers International Limited*

** *Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia*

\# *Subsidiaries of Wessex Water Limited*

o *Subsidiaries of YTL Jawa O & M Holdings Limited*

^ *Subsidiaries of YTL Jawa Power Holdings Limited*

‡ *Subsidiaries of PowerSeraya Limited*

& *Subsidiaries of YTL Communications Sdn Bhd*

@ *Acquired during the financial year*

15. SUBSIDIARIES (continued)

(b) Subsidiary acquired during the year

On 16 February 2011, YTL Communications Sdn Bhd, a direct 60% owned subsidiary of the Company completed the acquisition of 500,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Extiva Communications Sdn Bhd for a total purchase consideration of RM20,000,000. The fair value of identifiable assets was determined to be RM6,776,225 giving rise to goodwill amounting to RM13,223,775 of which RM7,934,265 is attributable to owners of the parent and RM5,289,510 attributable to non-controlling interests.

16. JOINT VENTURES

The joint venture ('JV') mentioned below is held by a subsidiary, Wessex Water Limited.

(a) Jointly controlled operations

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

The Group's share of the assets, liabilities and expenses of the jointly controlled operations has been accounted for in the book of the relevant subsidiary as follows:

	Group	
	2011 RM'000	2010 RM'000
Non-current assets	**428**	580
Current assets	**3,649**	3,854
Current liabilities	**(4,077)**	(4,434)
Net assets	–	–
Expenses	**48,815**	52,790

17. ASSOCIATED COMPANIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted shares, at cost	**574,044**	576,150	**5**	5
Group's share of post-acquisition reserves	**563,976**	416,757	–	–
Group's share of net assets	**1,138,020**	992,907	**5**	5

(a) The Group's share of revenue and results of associated companies are as follows:

	Group	
	2011 RM'000	2010 RM'000
Revenue	**756,258**	941,607
Profit after taxation	**286,812**	226,513

17. ASSOCIATED COMPANIES (continued)

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

	Group 2011 RM'000	Group 2010 RM'000
Non-current assets	**1,331,631**	1,353,233
Current assets	**417,810**	424,708
Current liabilities	**(186,190)**	(131,071)
Non-current liabilities	**(425,231)**	(653,963)
Net assets	**1,138,020**	992,907

(c) The associated companies are as follows:

Name of company	Country of incorporation	Group's effective interest 2011	Group's effective interest 2010	Principal activities
		%	%	
ElectraNet Transmission Services Pty Ltd	Australia	**33.5**	33.5	Principal electricity transmission network service provider
Jimah Power Generation Sdn Bhd	Malaysia	**49.0**	49.0	Developing, constructing, completing, maintaining and operating power plants. The company has not commenced operations
P.T. Jawa Power	Indonesia	**35.0**	35.0	To construct, commission and operate a coal-fired thermal power station
Teknologi Tenaga Perlis (Overseas) Consortium Sdn Bhd	Malaysia	**30.0**	30.0	Dormant
Enefit Jordan B.V.	Netherlands	**30.0**	–	Investment holding

18. INVESTMENTS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Available-for-sale financial assets	**170,304**	–	**99,256**	–
Financial assets at fair value through profit or loss	**82,967**	–	**82,967**	–
Investments previously carried at cost	**–**	111,043	**–**	96,578
	253,271	111,043	**182,223**	96,578

18. INVESTMENTS (continued)

(a) Available-for-sale financial assets

The investments are in relation to the following:

	Group 2011 RM'000	Company 2011 RM'000
Equity investments (quoted in Malaysia)	**118,718**	**99,256**
Equity investments (unquoted outside Malaysia)	**51,586**	**–**
	170,304	**99,256**

The gain arising from the changes in fair value of available-for-sale financial assets during the year of RM23.9 million was recognised as other comprehensive income in the Statements of Comprehensive Income.

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

The investment is in relation to the following:

	Group 2011 RM'000	Company 2011 RM'000
Equity investments (quoted in Malaysia)	**82,967**	**82,967**

This is in relation to investment in Irredeemable Convertible Unsecured Loan Stocks ('ICULS') of RM1.00 each in a related company, YTL Cement Berhad. These are ten (10) years ICULS issued on 10 November 2005. These ICULS bear a step-up coupon rate ranging from 4% to 6% per annum until its maturity date. The interest is payable semi-annually. The conversion price of the ICULS is fixed at a step down basis, in the first four (4) years, the conversion price is at RM2.72 for one (1) ordinary share in YTL Cement Berhad, after which it is at RM2.04 in the next three (3) years and at RM1.82 for the remaining three (3) years.

The gain arising from the changes of financial assets at fair value through profit or loss during the year of RM27.7 million was recognised in the Income Statements.

(c) Investments previously carried at cost

	Group 2010 RM'000	Company 2010 RM'000
Equity investments (quoted in Malaysia)	103,271	96,578
Equity investments (quoted outside Malaysia)	3	–
Unquoted loan outside Malaysia	7,769	–
	111,043	96,578

With the adoption of FRS 139 effective from 1 July 2010, other long term investments are reclassified to available-for-sale financial assets and financial assets at fair value through profit or loss as set out in Note 44 to the financial statements.

19. INVESTMENT IN PREFERENCE SHARES

	Group	
	2011 RM'000	2010 RM'000
Investment in preference shares	**492,705**	583,257

The investment of unquoted preference shares is held by a foreign subsidiary. The holder of the preference shares is entitled to a fixed dividend of 7% per annum of the subscription price paid. The preference shares holder carries no voting rights and the preference shares are redeemable at the option of the holder at any time on the terms agreeable between the preference shares issuer and holder thereof.

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-Current				
Prepayments	**41,367**	59,253	–	–
Other receivables	**861**	813	–	–
	42,228	60,066	–	–
Current				
Trade receivables	**1,642,921**	753,999	–	–
Less: Provision for impairment of receivables	**(112,187)**	(86,437)	–	–
Total trade receivables (net)	**1,530,734**	667,562	–	–
Other receivables	**168,115**	69,210	**38,592**	42,537
Less: Provision for impairment of other receivables	**(33,412)**	(33,439)	**(33,439)**	(33,439)
Accrued income	**273,750**	868,621	–	–
Amounts recoverable from a supplier	**285,630**	238,551	–	–
Deposits	**31,199**	48,989	**342**	342
Interest receivables	**1,871**	13,165	**146**	446
Prepayments	**103,955**	114,068	**1,334**	1,201
	2,361,842	1,986,727	**6,975**	11,087

Credit terms of trade receivables average at 30 days (2010: 30 days). The Group's historical experience in collecting trade receivables falls largely within this period. On this basis, the Directors believe that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

As at 30 June 2011, trade receivables of RM237.2 million were past due but not impaired. The ageing analysis of these receivables is as follows:

	RM'000
Up to 3 months	100,511
3 to 6 months	20,070
6 to 9 months	17,430
9 to 12 months	16,826
Over 1 year	82,402
	237,239

In addition, the amount recoverable from a supplier of RM285.6 million relates to a subsidiary of the Company who had entered into a Gas Supply Agreement ('GSA') on 15 March 1993. Under this agreement, the price of gas to be supplied is calculated by reference to a market price-related formula. However, since 1 May 1997, the Government of Malaysia has fixed the price of gas and accordingly, the market price-related formula applicable under the GSA has not been used by the gas supplier. As a consequence, a dispute arose over whether a discount provided for under the market price-related formula was applicable under the GSA. The Government has informed the subsidiary company that the discount should be reinstated with effect from 1 January 2002. However, contrary to the decision of the Government, the gas supplier advised the subsidiary company that effective from 1 January 2002 the discount has been withdrawn. As such, as at 30 June 2011, a sum of RM285.6 million has been paid to the gas supplier under protest. The Directors believe that this amount will be fully recoverable.

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

	Group 2011 RM'000
With credit ratings (Moody's/RAM)	
- AAA	115,202
- P1	1,871
Without credit ratings *	1,618,806
	1,735,879

* The credit quality of these receivables, which include a sum of RM953.8 million due from a company which is owned by the Government of Singapore, reflects the economic prosperity of the commercial and domestic counterparties across their respective regions. These receivables are generally due from counterparties with good payment history. None of the Group's trade and other receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables amounting to RM257.6 million are secured by financial guarantees given by banks and RM133.9 million are secured by cash collateral.

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Movements on the Group's provision for impairment of trade receivables are as follows:

Group	Trade Receivables 2011 RM'000	Other Receivables 2011 RM'000
At 1 July	86,437	33,439
Exchange differences	4,108	(27)
Provision for impairment of receivables	55,256	–
Unused amount reversed	(33,614)	–
At 30 June	112,187	33,412

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

The fair value of receivables approximate to their carrying values.

21. INVENTORIES

Inventories comprise:

	Group 2011 RM'000	2010 RM'000
Finished goods	30,155	–
Spare parts	135,875	132,780
Raw materials	14,322	11,699
Work in progress	25,190	16,628
Fuel	326,838	431,934
	532,380	593,041

22. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets 2011 RM'000	Liabilities 2011 RM'000	Group 2011 RM'000
At 30 June 2010*	1,949	(23,749)	(21,800)
Adoption of new accounting policy (Note 44)	24,850	(93,864)	(69,014)
At 1 July 2010 restated	26,799	(117,613)	(90,814)
Movement during the year	71,716	3,472	75,188
At 30 June 2011	98,515	(114,141)	(15,626)

* The derivative financial assets and liabilities arose from the acquisition of PowerSeraya Limited on 6 March 2009. These financial derivatives are recognised at fair value as at that date.

22. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Analysed as:

Group 2011	Contract/ notional amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
Cash flow hedges			
- fuel oil swaps	1,152,633	78,646	6,193
- currency forwards	1,484,390	734	30,503
- interest rate swap	614,425	–	55,527
Fair value through profit or loss			
- fuel oil swaps	1,013,275	18,193	19,121
- currency forwards	520,488	942	2,797
		98,515	114,141
Current portion		95,904	94,152
Non-current portion		2,611	19,989
		98,515	114,141

The changes in fair value that arose from fair value through profit or loss and the ineffective portion of cash flow hedges are recognised in the profit or loss amounting to a gain of RM2.0 million and a loss of RM4.3 million respectively.

Period when the cash flows on cash flow hedges are expected to occur or affect profit or loss:

(a) Fuel oil swaps

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

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

22. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Forward Foreign Currency Exchange

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

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

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

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

(c) Interest rate swaps

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

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

23. AMOUNT OWING TO IMMEDIATE AND PENULTIMATE HOLDING COMPANY

The amount owing to the immediate and penultimate holding company relates to expenses paid on the Group's behalf and is unsecured, payable on demand and is interest free.

24. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries within 12 months are interest free, unsecured, and payable on demand except for advances to certain subsidiaries amounting to RM681.7 million (2010: RM531.7 million) which bear interest at a rate of 1.5% per annum above the Base Lending Rate or at a rate of 0.60% per annum above the effective Cost of Funds ('COF') (2010: 1.5% per annum above the Base Lending Rate). In addition, the amounts receivable within 12 months are also in respect of interests receivable on advances and operational expense payments made on behalf of subsidiaries.

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

25. SHORT TERM INVESTMENTS

	Group and Company 2011 RM'000	2010 RM'000
Unquoted debt securities of corporations in Malaysia		
At cost	–	48,393

The investment was disposed during the year.

26. FIXED DEPOSITS

	Group 2011 RM'000	2010 RM'000	Company 2011 RM'000	2010 RM'000
Deposits with licensed banks	**6,768,272**	7,025,387	**250,951**	562,671

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

	Group 2011 %	2010 %	Company 2011 %	2010 %
Deposits with licensed banks	**0.05 – 3.40**	0.20 – 2.75	**3.02 – 3.40**	2.60 – 2.75

Deposits of the Group and the Company have an average maturity of 30 days (2010: 30 days).

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statements of Cash Flows of the Group and the Company comprise the following:

	Note	Group 2011 RM'000	2010 RM'000	Company 2011 RM'000	2010 RM'000
Fixed deposits	26	**6,768,272**	7,025,387	**250,951**	562,671
Cash and bank balances		**410,477**	346,155	**6,622**	9,062
Bank overdrafts	32(e)	**(47,435)**	(44,821)	–	–
		7,131,314	7,326,721	**257,573**	571,733

Bank balances are deposits held at call with banks.

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

28. SHARE CAPITAL

	Group and Company 2011 RM'000	2010 RM'000
Authorised:		
At beginning and end of the year		
– 22,730,000,000 ordinary shares of RM0.50 each	**11,365,000**	11,365,000
Issued and fully paid:		
At beginning of the year		
– 7,246,545,703 (2010: 5,910,280,545) ordinary shares of RM0.50 each	**3,623,273**	2,955,140
Exercise of share options		
– 14,727,350 (2010: 11,195,100) ordinary shares of RM0.50 each	**7,364**	5,598
Exercise of share Warrants		
– 17,721,184 (2010: 949,518,380) ordinary shares of RM0.50 each	**8,860**	474,759
Conversion of bonds		
– Nil (2010: 375,551,678) ordinary shares of RM0.50 each	–	187,776
At end of the year		
– 7,278,994,236 (2010: 7,246,545,703) ordinary shares of RM0.50 each	**3,639,497**	3,623,273

The issued and fully paid up share capital of the Company was increased from RM3,623,272,852 to RM3,639,497,118 following the exercise of 14,727,350 ESOS at exercise prices ranging from RM1.32 to RM2.02 per share and the exercise of 17,721,184 Warrants at an exercise price of RM1.21 per Warrant on the basis of one (1) new ordinary share for every one (1) Warrant. The new ordinary shares of 50 sen each rank pari passu in all respects with the existing issued shares of the Company.

Of the total 7,278,994,236 (2010: 7,246,545,703) issued and fully paid ordinary shares at 30 June 2011, the Company holds 56,724,745 (2010: 56,722,745) shares as treasury shares. As at 30 June 2011, the number of ordinary shares in issue and fully paid after offsetting treasury shares are 7,222,269,491 (2010: 7,189,822,958).

(a) Warrants 2008/2018

As indicated in Note 31(i) to the financial statements, the Company had on 18 April 2008 issued RM2,200,000,000 nominal value of five-year 3.00% Redeemable Non Guaranteed Unsecured Bonds 2008/2013 with 1,776,371,304 detachable Warrants ('Warrants').

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

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

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

28. SHARE CAPITAL (continued)

(a) Warrants 2008/2018 (continued)

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

	Group and Company '000
At 1 July 2009	2,155,326
Exercise of Warrants	(949,518)
Warrants expired	(3,322)
At 30 June 2010	1,202,486
At 1 July 2010	**1,202,486**
Exercise of Warrants	**(17,721)**
At 30 June 2011	**1,184,765**

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

The Company implemented an Employees' Share Option Scheme ('ESOS') which came into effect on 30 November 2001 for a period of ten (10) years. The ESOS is governed by the bye-laws which were approved by the shareholders on 16 October 2001.

(i) The maximum number of shares, which may be made available under the Scheme, shall not exceed ten per cent (10%) of the total issued and paid up share capital of the Company at the time of offering the option.

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

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

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

(c) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The ESOS Committee may, at its discretion, nominate any employee (including Executive Directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 4.1(iii) of the bye-laws not being met, at any time and from time to time.

(iii) The price payable for shares under the Scheme shall be based on the five (5)-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than ten per cent (10%), if deemed appropriate.

28. SHARE CAPITAL (continued)

(b) Employees' Share Option Scheme ('ESOS') (continued)

(iv) Subject to Clause 14, the ESOS Committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the option during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clause 11 and 12, the option can only be exercised by the grantee three (3) years after the Offer Date, by notice in writing to the Company, provided however that the ESOS Committee may at its discretion or upon the request in writing by the grantee allow the option to be exercised at any earlier or other period.

(v) The grantee shall be prohibited from disposing the ordinary shares of the Company so allotted to him for a period of twelve (12) months from the date on which the option is exercised. However, the ESOS Committee may at its discretion or upon request in writing by the grantee allow the disposal of such ordinary shares of the Company at any earlier or other period.

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

The movements during the year in the number of share options of the Company are as follows:

Year ended 30 June 2011

			Number of share options				
Grant date	Expiry date	Exercise Price RM/share	At start of financial year '000	Granted '000	Exercised '000	Lapsed '000	At end of financial year '000
* 16.10.2002	29.11.2011	1.14	20	–	–	–	20
* 13.12.2002	29.11.2011	1.32	9,634	–	(1,850)	(100)	7,684
* 26.12.2002	29.11.2011	1.39	3,673	–	(845)	–	2,828
* 12.12.2003	29.11.2011	1.53	634	–	–	–	634
* 12.12.2003	29.11.2011	1.70	1,384	–	(370)	(34)	980
16.05.2005	29.11.2011	1.82	3,745	–	(485)	–	3,260
16.05.2005	29.11.2011	2.02	4,177	–	(635)	(34)	3,508
01.08.2005	29.11.2011	1.90	35,223	–	(4,468)	(10)	30,745
07.08.2006	29.11.2011	1.74	500	–	–	–	500
07.08.2006	29.11.2011	1.93	4,675	–	(409)	(170)	4,096
07.08.2006	29.11.2011	1.74	4,027	–	(50)	(299)	3,678
20.08.2007	29.11.2011	2.04	800	–	–	–	800
20.08.2007	29.11.2011	2.27	3,100	–	(27)	(204)	2,869
16.01.2008	29.11.2011	2.39	67	–	–	–	67
26.06.2008	29.11.2011	1.80	80	–	–	–	80
28.11.2008	29.11.2011	1.61	6,080	–	–	(360)	5,720
28.11.2008	29.11.2011	1.78	9,310	–	–	(250)	9,060
17.02.2009	29.11.2011	1.68	43,087	–	(5,588)	(20)	37,479
01.07.2009	29.11.2011	1.97	20,440	–	–	(885)	19,555
			150,656	–	(14,727)	(2,366)	133,563

28. SHARE CAPITAL (continued)

(b) Employees' Share Option Scheme ('ESOS') (continued)

Year ended 30 June 2010

			Number of share options				
Grant date	Expiry date	Exercise Price RM/share	At start of financial year '000	Granted '000	Exercised '000	Lapsed '000	At end of financial year '000
* 16.10.2002	29.11.2011	1.14	20	–	–	–	20
* 13.12.2002	29.11.2011	1.32	12,879	–	(3,145)	(100)	9,634
* 26.12.2002	29.11.2011	1.39	4,390	–	(717)	–	3,673
* 12.12.2003	29.11.2011	1.53	1,719	–	(525)	(560)	634
* 12.12.2003	29.11.2011	1.70	1,518	–	(134)	–	1,384
16.05.2005	29.11.2011	1.82	3,900	–	(55)	(100)	3,745
16.05.2005	29.11.2011	2.02	4,344	–	(99)	(68)	4,177
01.08.2005	29.11.2011	1.90	41,426	–	(6,173)	(30)	35,223
07.08.2006	29.11.2011	1.74	700	–	–	(200)	500
07.08.2006	29.11.2011	1.93	4,844	–	(67)	(102)	4,675
07.08.2006	29.11.2011	1.74	4,450	–	(280)	(143)	4,027
20.08.2007	29.11.2011	2.04	900	–	–	(100)	800
20.08.2007	29.11.2011	2.27	3,360	–	–	(260)	3,100
16.01.2008	29.11.2011	2.39	67	–	–	–	67
26.06.2008	29.11.2011	1.80	90	–	–	(10)	80
28.11.2008	29.11.2011	1.61	6,560	–	–	(480)	6,080
28.11.2008	29.11.2011	1.78	9,424	–	–	(114)	9,310
17.02.2009	29.11.2011	1.68	43,097	–	–	(10)	43,087
01.07.2009	29.11.2011	1.97	–	22,600	–	(2,160)	20,440
			143,688	22,600	(11,195)	(4,437)	150,656

* *FRS 2 not applicable for these transactions*

	2011 '000	2010 '000
Number of share options vested at reporting date	**99,228**	67,692

The fair value of options granted in which FRS 2 applies, were determined using the Trinomial Valuation model. The significant inputs in the model are as follows:

	2011*	2010
Group		
Valuation assumptions:		
Weighted average share price at date of grant (per share)	–	RM 2.18
Expected volatility	–	21.07%
Expected dividend yield	–	8.00%
Expected option life	–	2 years
Risk–free interest rate per annum (based on Malaysian securities bonds)	–	2.94%

* No new options were granted during the financial year.

28. SHARE CAPITAL (continued)

(b) Employees' Share Option Scheme ('ESOS') (continued)

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Value of employee services received for issue of share options:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Share options expenses	**5,832**	7,555	**5,832**	7,555
Allocation to subsidiaries	–	–	**(4,547)**	(5,633)
Allocation to related company	–	(1)	–	(1)
Total share options expenses	**5,832**	7,554	**1,285**	1,921

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

At an Extraordinary General Meeting held on 30 November 2010, the Company's shareholders approved the establishment of a new ESOS ('2011 Scheme') for eligible employees and directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation, in place of ESOS 2001 which will be expiring on 29 November 2011.

The main features of the 2011 Scheme are as follow:

(i) The 2011 Scheme shall be in force for a period of ten (10) years, effective from 1 April 2011.

(ii) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the 2011 Scheme shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at the point of time throughout the duration of the 2011 Scheme.

(iii) Any employee (including the directors) of the Group shall be eligible to participate in the 2011 Scheme if, as at the date of offer of an option ('Offer Date'), the person:

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

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

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

28. SHARE CAPITAL (continued)

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

(iv) The subscription price for shares under the 2011 Scheme shall be determined by the Board upon recommendation of the options committee and shall be fixed based on the higher of the following:

(a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) market days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or

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

(v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the Bye-Laws, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

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

As at the end of the financial year, no options have been granted in respect of the 2011 scheme.

29. RESERVES

(a) Other reserves

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
Capital redemption reserve	**20,000**	20,000	–	–
Capital reserve	**1,512**	1,630	–	–
Available-for-sale reserve	**58,752**	–	**44,521**	–
Hedging reserve	**28,315**	–	–	–
Statutory reserve	**45,135**	48,677	–	–
Share options reserve	**16,971**	12,623	**16,971**	12,623
Warrant reserve	**118,477**	120,248	**118,477**	120,248
	289,162	203,178	**179,969**	132,871

(i) Capital redemption reserve

Capital redemption reserve has been set up for purposes of redemption of preference shares in a subsidiary.

29. RESERVES (continued)

(a) Other reserves (continued)

(ii) Capital reserve

	Group 2011 RM'000	Group 2010 RM'000
At 1 July	1,630	1,764
Exchange differences	(118)	(134)
At 30 June	1,512	1,630

(iii) Available-for-sale reserve

	Group 2011 RM'000	Company 2011 RM'000
At 1 July	–	–
Adoption of new accounting policy (Note 44)	34,832	27,605
At 1 July 2010 restated	34,832	27,605
Movement during the year	23,920	16,916
At 30 June	58,752	44,521

(iv) Hedging reserve

	Group 2011 RM'000	Group 2010 RM'000
At 1 July	–	–
Adoption of new accounting policy (Note 44)	(71,543)	–
At 1 July 2010, restated	(71,543)	–
Exchange differences	(735)	–
Changes in fair value	100,593	–
At 30 June	28,315	–

(v) Statutory reserve

	Group 2011 RM'000	Group 2010 RM'000
At 1 July	48,677	52,637
Exchange differences	(3,542)	(3,960)
At 30 June	45,135	48,677

This represents reserves which need to be set aside pursuant to local statutory requirements of an associated company.

29. RESERVES (continued)

(a) Other reserves (continued)

(vi) Share option reserve

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 July	**12,623**	5,542	**12,623**	5,542
Share options expenses	**5,832**	7,555	**5,832**	7,555
Share options exercised/lapsed	**(1,484)**	(474)	**(1,484)**	(474)
At 30 June	**16,971**	12,623	**16,971**	12,623

(vii) Warrant reserve

	Group and Company	
	2011 RM'000	2010 RM'000
At 1 July	**120,248**	131,248
Conversion of Warrant during the year	**(1,771)**	(11,000)
At 30 June	**118,477**	120,248

(b) Treasury shares

The shareholders of the Company, by a resolution passed in the 14th Annual General Meeting held on 30 November 2010, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the year, the Company repurchased 2,000 (2010: 71,000) of its issued share capital from the open market. The average price paid for the shares repurchased was RM2.33 per share (2010: RM2.21 per share). The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

(c) Retained earnings

Pursuant to the Finance Act 2007, the single tier company income tax system was introduced. Under the single tier system, the tax on a company's profit is a final tax and the dividends distributed to its shareholders would be exempted from tax. The Company has elected for irrevocable option to disregard the unutilised section 108 balances as at 30 June 2009.

30. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the Statements of Financial Position:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax liabilities	**2,538,545**	2,633,592	**26**	23
At 1 July	**2,633,592**	2,796,681	**23**	23
Exchange differences	**7,238**	(376,763)	**–**	–
(Credited)/Charged to Income Statements	**(104,246)**	142,065	**3**	–
Recognition of investment allowance	**(14,370)**	(21,058)	**–**	–
Utilisation of investment allowance	**16,331**	92,667	**–**	–
At 30 June	**2,538,545**	2,633,592	**26**	23
Subject to income tax				
Deferred tax assets before offsetting:				
– Retirement benefits	**32,941**	52,208	**–**	–
– Provision	**27,496**	27,968	**–**	–
	60,437	80,176	**–**	–
Offsetting	**(60,437)**	(80,176)	**–**	–
	–	–	**–**	–
Deferred tax liabilities before offsetting:				
– Property, plant and equipment	**2,593,052**	2,703,242	**26**	23
– Others	**5,930**	10,526	**–**	–
	2,598,982	2,713,768	**26**	23
Offsetting	**(60,437)**	(80,176)	**–**	–
	2,538,545	2,633,592	**26**	23

31. BONDS

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current					
3.97% Unsecured Bonds	31(a)	–	813,470	–	–
Non-current					
3.52% Retail Price Index Guaranteed Bonds	31(b)	**309,445**	305,621	–	–
5.75% Guaranteed Unsecured Bonds	31(c)	**1,679,649**	1,696,962	–	–
5.375% Guaranteed Unsecured Bonds	31(d)	**963,033**	972,094	–	–
1.75% Index Linked Guaranteed Bonds	31(e)	**832,431**	822,147	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	31(f)	**832,431**	822,147	–	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	31(g)	**791,423**	763,702	–	–
2.186% Index Linked Guaranteed Bonds	31(h)	**263,793**	250,255	–	–
3.00% Redeemable Non Guaranteed Unsecured Bonds	31(i)	**2,143,984**	2,107,240	**2,143,984**	2,107,240
		7,816,189	7,740,168	**2,143,984**	2,107,240
Total					
3.97% Unsecured Bonds	31(a)	–	813,470	–	–
3.52% Retail Price Index Guaranteed Bonds	31(b)	**309,445**	305,621	–	–
5.75% Guaranteed Unsecured Bonds	31(c)	**1,679,649**	1,696,962	–	–
5.375% Guaranteed Unsecured Bonds	31(d)	**963,033**	972,094	–	–
1.75% Index Linked Guaranteed Bonds	31(e)	**832,431**	822,147	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	31(f)	**832,431**	822,147	–	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	31(g)	**791,423**	763,702	–	–
2.186% Index Linked Guaranteed Bonds	31(h)	**263,793**	250,255	–	–
3.00% Redeemable Non Guaranteed Unsecured Bonds	31(i)	**2,143,984**	2,107,240	**2,143,984**	2,107,240
		7,816,189	8,553,638	**2,143,984**	2,107,240

31. BONDS (continued)

All bonds of subsidiaries are on a non-recourse basis to the Company.

The weighted average effective interest rate of the Group and the Company as at the Statements of Financial Position is as follows:

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Weighted average effective interest rate				
3.97% Unsecured Bonds	–	4.210	–	–
3.52% Retail Price Index Guaranteed Bonds	**5.560**	5.340	–	–
5.75% Guaranteed Unsecured Bonds	**5.869**	5.870	–	–
5.375% Guaranteed Unsecured Bonds	**5.501**	5.502	–	–
1.75% Index Linked Guaranteed Bonds	**3.897**	3.552	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	**3.484**	3.191	–	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**5.969**	1.542	–	–
2.186% Index Linked Guaranteed Bonds	**8.365**	5.867	–	–
3.00% Redeemable Non Guaranteed Unsecured Bonds	**4.850**	4.850	**4.850**	4.850

31 BONDS (continued)

The fair value of the Bonds of the Group and the Company as at the reporting date is as set out below:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
3.97% Unsecured Bonds	–	819,571	–	–
3.52% Retail Price Index Guaranteed Bonds	**325,083**	301,165	–	–
5.75% Guaranteed Unsecured Bonds	**1,790,521**	1,806,257	–	–
5.375% Guaranteed Unsecured Bonds	**990,999**	1,002,411	–	–
1.75% Index Linked Guaranteed Bonds	**1,029,909**	923,853	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	**927,299**	850,728	–	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**918,046**	847,402	–	–
2.186% Index Linked Guaranteed Bonds	**268,359**	250,806	–	–
3.00% Redeemable Non Guaranteed Unsecured Bonds	**2,310,553**	2,289,044	**2,310,553**	2,289,044
	8,560,769	9,091,237	**2,310,553**	2,289,044

The period in which the bonds of the Group and the Company attain maturity are as follows:

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
Group				
At 30 June 2011				
3.52% Retail Price Index Guaranteed Bonds	–	–	**309,445**	**309,445**
5.75% Guaranteed Unsecured Bonds	–	–	**1,679,649**	**1,679,649**
5.375% Guaranteed Unsecured Bonds	–	–	**963,033**	**963,033**
1.75% Index Linked Guaranteed Bonds	–	–	**832,431**	**832,431**
1.369% and 1.374% Index Linked Guaranteed Bonds	–	–	**832,431**	**832,431**
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	–	–	**791,423**	**791,423**
2.186% Index Linked Guaranteed Bonds	–	–	**263,793**	**263,793**
3.00% Redeemable Non Guaranteed Unsecured Bonds	–	**2,143,984**	–	**2,143,984**
	–	**2,143,984**	**5,672,205**	**7,816,189**

31 BONDS (continued)

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
Group (continued)				
At 30 June 2010				
3.97% Unsecured Bonds	813,470	–	–	813,470
3.52% Retail Price Index Guaranteed Bonds	–	–	305,621	305,621
5.75% Guaranteed Unsecured Bonds	–	–	1,696,962	1,696,962
5.375% Guaranteed Unsecured Bonds	–	–	972,094	972,094
1.75% Index Linked Guaranteed Bonds	–	–	822,147	822,147
1.369% and 1.374% Index Linked Guaranteed Bonds	–	–	822,147	822,147
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	–	–	763,702	763,702
2.186% Index Linked Guaranteed Bonds	–	–	250,255	250,255
3.00% Redeemable Non Guaranteed Unsecured Bonds	–	2,107,240	–	2,107,240
	813,470	2,107,240	5,632,928	8,553,638
Company				
At 30 June 2011				
3.00% Redeemable Non Guaranteed Unsecured Bonds	–	**2,143,984**	–	**2,143,984**
At 30 June 2010				
3.00% Redeemable Non Guaranteed Unsecured Bonds	–	2,107,240	–	2,107,240

(a) 3.97% Unsecured Bonds

On 30 September 2003, PowerSeraya Limited issued SGD350,000,000 3.97% Unsecured Bonds ('Bonds') at par for working capital and to fund major capital expenditure. Interest was payable semi-annually in arrears on the interest payment dates falling on 30 March and 30 September in each year. The Bonds were matured and repaid on 30 September 2010.

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of PowerSeraya Limited and shall at all times rank pari passu and rateably without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of PowerSeraya Limited.

31. BONDS (continued)

(b) 3.52% Retail Price Index Guaranteed Bonds

On 10 December 2001, Wessex Water Services Finance Plc ('Issuer') issued GBP50,000,000 nominal value 3.52% Guaranteed Retail Price Index with Zero Floor Bonds due 2023 ('RPIG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The RPIG Bonds were constituted under a Trust Deed dated 10 December 2001 and are unsecured.

The principal features of the RPIG Bonds are as follows:

(i) The RPIG Bonds bear interest semi-annually on 30 January and 30 July at an interest rate of 3.52% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 8.23% (2010: 3.80%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the RPIG Bonds will be redeemed in full by the Issuer on 30 July 2023 at their indexed value together with all accrued interest on the surrender of the Bonds.

(iii) The Issuer may, at any time, purchase the RPIG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All RPIG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the RPIG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the RPIG Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the RPIG Bonds being downgraded below investment grade. 'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:
  - any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or
  - any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of RPIG Bonds issued of GBP50,000,000 remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the RPIG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

31. BONDS (continued)

(c) 5.75% Guaranteed Unsecured Bonds

On 15 October 2003, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP350,000,000 nominal value 5.75% Guaranteed Unsecured Bonds due 2033 ('GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of GU Bonds issued amounted to GBP350,000,000, and as at 30 June 2011 GBP345,265,801 (2010: 345,831,889) remained outstanding, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:

(i) The GU Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year.

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest on the surrender of the GU Bonds.

(iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade. 'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:
  - any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;
  - any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

31. BONDS (continued)

(d) 5.375% Guaranteed Unsecured Bonds

On 10 March 2005, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP200,000,000 nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ('GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 10 March 2005. The nominal value of GU Bonds issued amounted to GBP200,000,000, of which GBP197,959,499 (2010: GBP198,107,696) remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:

(i) The GU Bonds bear interest at 5.375% per annum, payable on 10 March of each year.

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with accrued interest on the surrender of the GU Bonds.

(iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade. 'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:
  - any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;
  - any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

31. BONDS (continued)

(e) 1.75% Index Linked Guaranteed Bonds

On 31 July 2006, Wessex Water Services Finance Plc ('Issuer') issued two (2) tranches of GBP75,000,000 nominal value 1.75% Index Linked Guaranteed Bonds ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds were each constituted under a Trust Deed dated 31 July 2006 and are unsecured.

The principal features of the ILG Bonds are as follows:

(i) The ILG Bonds bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 6.46% (2010: 2.03%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche, at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;

- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or

- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade. 'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:

  – any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

  – any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

31. BONDS (continued)

(f) 1.369% and 1.374% Index Linked Guaranteed Bonds

On 31 January 2007, Wessex Water Services Finance Plc ('Issuer') issued GBP75,000,000 nominal value 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value 1.374% Index Linked Guaranteed Bonds, both due 2057 ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The principal features of the ILG Bonds are as follows:

(i) The ILG Bonds bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 6.08% (2010: 1.65%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;

- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or

- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade. 'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:

  – any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

  – any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

31. BONDS (continued)

(g) 1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds

On 28 September 2007, Wessex Water Services Finance Plc ('Issuer') issued GBP50,000,000 nominal value 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value 1.499% Index Linked Guaranteed Bonds, all due 2058 ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The principal features of the ILG Bonds are as follows:

(i) The ILG Bonds bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 6.84% (2010: 5.94%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade. 'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:
  - any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or
  - any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

31. BONDS (continued)

(h) 2.186% Index Linked Guaranteed Bonds

On 7 September 2009, Wessex Water Services Finance Plc ('Issuer') issued GBP50,000,000 nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds were constituted under a Trust Deed dated 7 September 2009 and are unsecured.

The principal features of the ILG Bonds are as follows:

(i) The ILG Bonds bear interest semi-annually on 1 December and 1 June at an interest rate of 2.186% initially, indexed up by the inflation rate every half year. The effective interest rate as at 30 June 2011 is 5.38% (2010: 4.69%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade. 'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:
  - any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or
  - any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP50,000,000 remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

31. BONDS (continued)

(i) 3.00% Redeemable Non Guaranteed Unsecured Bonds

On 18 April 2008, the Company issued RM2,200,000,000 nominal value of five year 3.00% Redeemable Non Guaranteed Unsecured Bonds 2008/2013 ('Bonds') with 1,776,371,304 detachable Warrants. The Bonds were constituted under a Trust Deed dated 10 April 2008. The details of the Warrants are set out in Note 28(a) to the financial statements.

The principal features of the Bonds are as follows:

(i) The Bonds are issued at discount (91.87%) of the nominal value.

(ii) The Bonds bear interest at 3.0% per annum, payable semi-annually on 18 October and 18 April of each financial year.

(iii) The Bonds are redeemable on 18 April 2013 ('Maturity Date') at one hundred percent (100%) of its nominal value.

(iv) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Company, the Bonds will be redeemed in full by the Company on the Maturity Date at one hundred percent (100%) of its nominal value together with all accrued interest.

32. BORROWINGS

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Term Loans	32(a)	**3,746,135**	986,943	–	–
Revolving credit	32(b)	**1,882,725**	–	**300,000**	–
Committed bank loans	32(c)	**26,943**	26,108	–	–
Finance lease	32(d)	**159,035**	28,958	–	–
Bank overdrafts	32(e),27	**47,435**	44,821	–	–
Medium Term Notes	32(f)	**470,000**	200,000	**470,000**	–
Commercial papers	32(g)	**150,000**	300,000	**150,000**	300,000
		6,482,273	1,586,830	**920,000**	300,000
Non-current					
Term loans	32(a)	**3,409,784**	7,989,510	–	–
Revolving credit	32(b)	**983,080**	116,210	–	–
Committed bank loans	32(c)	**11,506**	12,510	–	–
Finance lease	32(d)	**165,210**	323,927	–	–
Medium Term Notes	32(f)	**2,229,825**	2,599,734	**1,330,000**	1,700,000
		6,799,405	11,041,891	**1,330,000**	1,700,000

32. BORROWINGS (continued)

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Total					
Term loans	32(a)	**7,155,919**	8,976,453	–	–
Revolving credit	32(b)	**2,865,805**	116,210	**300,000**	–
Committed bank loans	32(c)	**38,449**	38,618	–	–
Finance lease	32(d)	**324,245**	352,885	–	–
Bank overdrafts	32(e),27	**47,435**	44,821	–	–
Medium Term Notes	32(f)	**2,699,825**	2,799,734	**1,800,000**	1,700,000
Commercial papers	32(g)	**150,000**	300,000	**150,000**	300,000
		13,281,678	12,628,721	**2,250,000**	2,000,000

All borrowings of the subsidiaries are on a non-recourse basis to the Company save and except for RM1,445,654,996 (2010: RM1,908,056,962) term loans.

All borrowings of the subsidiaries are unsecured save and except for a term loan of RM3,561,807,250 (SGD1,449,244,110) (2010: RM4,347,696,887 (SGD1,870,620,810)).

The weighted average effective interest rate of the Group and the Company as at the reporting date is as follows:

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Weighted average effective interest rate				
Term loans	**1.43**	1.45	–	–
Bank overdrafts	**2.50**	1.50	–	–
Committed bank loans	**1.96**	0.99	–	–
Finance lease	**2.34**	2.05	–	–
Medium Term Notes	**4.65**	4.84	**4.57**	4.84
Commercial Papers	**3.04**	2.42	**3.04**	2.42
Revolving credit	**2.32**	0.97	**1.69**	–

32. BORROWINGS (continued)

The periods in which the borrowings of the Group attain maturity are as follows:

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
Group				
At 30 June 2011				
Term loans	**3,746,135**	**2,728,712**	**681,072**	**7,155,919**
Committed bank loans	**26,943**	**11,506**	–	**38,449**
Finance lease	**159,035**	**44,455**	**120,755**	**324,245**
Bank overdrafts	**47,435**	–	–	**47,435**
Medium Term Notes	**470,000**	**2,229,825**	–	**2,699,825**
Commercial Papers	**150,000**	–	–	**150,000**
Revolving credit	**1,882,725**	**983,080**	–	**2,865,805**
	6,482,273	**5,997,578**	**801,827**	**13,281,678**
At 30 June 2010				
Term loans	986,943	6,811,854	1,177,656	8,976,453
Revolving credit	–	116,210	–	116,210
Committed bank loans	26,108	12,510	–	38,618
Finance lease	28,958	153,676	170,251	352,885
Bank overdrafts	44,821	–	–	44,821
Medium Term Notes	200,000	2,599,734	–	2,799,734
Commercial Papers	300,000	–	–	300,000
	1,586,830	9,693,984	1,347,907	12,628,721

The periods in which the borrowings of the Company attain maturity are as follows:

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Total RM'000
Company			
At 30 June 2011			
Medium Term Notes	**470,000**	**1,330,000**	**1,800,000**
Commercial Papers	**150,000**	–	**150,000**
Revolving credit	**300,000**	–	**300,000**
	920,000	**1,330,000**	**2,250,000**
At 30 June 2010			
Medium Term Notes	–	1,700,000	1,700,000
Commercial Papers	300,000	–	300,000
	300,000	1,700,000	2,000,000

32. BORROWINGS (continued)

The carrying amounts of borrowings of the Group and the Company at the reporting date approximated their fair values except for the following non-current Medium Term Notes:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-Current Medium Term Notes	**2,302,404**	2,772,385	**1,384,468**	1,869,693

(a) Term loans

(i) Term loans denominated in Great Britain Pounds

GBP175,000,000 Unsecured Term Loan

The term loans of RM486,480,000 (GBP100,000,000) (2010: RM858,707,500 (GBP175,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates of LIBOR plus a different variable margin for each of the GBP75,000,000 and GBP100,000,000 loans respectively. GBP75,000,000 was repaid on 15 June 2011.

GBP140,000,000 Unsecured Term Loan

The term loan of RM681,072,000 (GBP140,000,000) (2010: RM686,966,000 (GBP140,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loan bears an interest rate of LIBOR plus 0.18%.

GBP50,000,000 Unsecured Term Loan

The term loan of RM243,240,000 (GBP50,000,000) (2010: RM245,345,000 (GBP50,000,000)) was drawn by Wessex Water Services Limited. The loan bears an interest rate of LIBOR plus 1.10%.

(ii) Term loans denominated in US Dollar

USD190,000,000 Unsecured Term Loan

Term loan of RM618,925,000 (USD190,000,000) is unsecured and is guaranteed by the Company. The loan bears an interest rate of LIBOR plus 0.265% margin. The loan was paid in full on 29 January 2011.

USD400,000,000 Unsecured Term Loan

Term loans of RM1,200,240,185 (USD397,364,736) (2010: RM1,289,131,962 (USD395,742,736)) were drawn by the subsidiaries. The term loans are unsecured and are guaranteed by the Company. The loans of USD200.0 million each is repayable on 17 December 2012 and 30 June 2015 respectively. These loans bear interest rate of LIBOR plus 1.40% and LIBOR plus 1.65% respectively.

32. BORROWINGS (continued)

(a) Term loans (continued)

(iii) Term loans denominated in SGD Dollar

SGD1,449,244,110 Secured Term Loan

Term loan of RM3,561,807,250 (SGD1,449,244,110) (2010: RM4,347,696,887 (SGD1,870,620,810)) is secured loan of YTL PowerSeraya Pte. Limited. The borrowings bear interest rate of 2.50% (margin rate) per annum plus swap rate per annum and is repayable in full on 6 March 2012. The borrowings are secured by a charge over the subsidiary's shares in PowerSeraya Limited and other assets of the subsidiary.

SGD400,000,000 Unsecured Term Loan

PowerSeraya Limited has a SGD400,000,000 term loan facility. As at 30 June 2011, the subsidiary had fully drawn down the facility amounting to RM983,080,000 (SGD400,000,000) (2010: RM929,580,000 (SGD400,000,000)). The term loan facility has staggered repayment dates commencing on 29 August 2011 with final repayment date on 28 August 2014. The subsidiary has a choice to select an interest period of one, three or six month on the facility.

(b) Revolving credit

(i) Revolving credit denominated in SGD Dollar

SGD750,000,000 Revolving Credit

PowerSeraya Limited has a total SGD750,000,000 (2010: SGD50,000,000) revolving credit facilities, of which SGD350,000,000, SGD50,000,000 and SGD350,000,000 terminate on 6 March 2012, 28 August 2012 and 13 September 2013 respectively. As at 30 June 2011, the subsidiary had drawn down the facility amounting to RM1,720,390,000 (SGD700,000,000) (2010: RM116,210,000 (SGD50,000,000)). The undrawn revolving credit facilities amounting to RM122,885,000 (SGD50,000,000) (2010: Nil) will expire on 6 March 2012.

SGD100,000,000 Revolving Credit

YTL Utilities Holdings (S) Pte. Limited has entered into a SGD100,000,000 revolving credit facility which matures on 16 May 2012 and is guaranteed by the Company. During the financial year, the subsidiary had fully drawn down the facility amounting to RM245,770,000 (SGD100,000,000). The subsidiary has a choice to select an interest period of one, two, three or six months on the facility.

The borrowings bear an interest rate of swap rate plus 1.10% margin per annum and are subject to annual renewal by the bank.

(ii) Revolving credit denominated in Ringgit Malaysia

RM900,000,000 Revolving Credit

During the financial year, revolving credit facilities of RM300,000,000 and RM600,000,000 were drawn by the Company and a subsidiary respectively. The revolving credit bears an interest rate between COF plus 0.50% and COF plus 0.60%.

(c) Committed bank loans

Committed bank loans amounted to RM38,449,311 (EUR8,814,067) (2010: RM38,618,382 (EUR9,613,474)). Of this balance, RM13,584,390 (EUR3,114,067) (2010: RM14,716,578 (EUR3,663,474)) is guaranteed by Wessex Water Limited and bears an interest rate of EURIBOR plus 1.05% and varies depending on the credit rating of Wessex Water Limited. The remaining balance of RM24,864,921 (EUR5,700,000) (2010: RM23,901,804 (EUR5,950,000)) is a direct obligation of Wessex Water Limited and bears an interest rate of EURIBOR plus 0.50%.

32. BORROWINGS (continued)

(d) Finance lease

The Group finance lease of RM324,244,711 (2010: RM352,884,749) is repayable in instalments until 30 June 2019. The finance lease bears interest rates ranging from 1.70% to 3.00%.

	Group	
	2011 RM'000	2010 RM'000
Minimum finance lease payments		
– Not later than 1 year	**219,532**	46,230
– Later than 1 year but not later than 5 years	**111,135**	203,258
– Later than 5 years	**63,986**	192,018
Future finance charges on finance lease	**(70,408)**	(88,621)
Present value of finance lease	**324,245**	352,885

(e) Bank overdrafts

Bank overdrafts of RM47,434,886 (GBP9,750,634) (2010: RM44,820,621 (GBP9,134,203)) are unsecured loans of Wessex Water Services Limited, Wessex Water Limited and SC Technology Nederland B.V.. The overdrafts are repayable in full on demand. All the bank overdrafts bear interest of Base Rate plus 1%.

(f) Medium Term Notes ('MTN')

The MTN of the Company were issued pursuant to a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2,000,000,000 ('CP/MTN Programme') constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2007.

During the year, the Company issued a new RM100,000,000 of the MTN. There was no repayment and reissuance (2010: RM200,000,000 and RM680,000,000) of the MTN during the year. The facility bears interest rates ranging from 3.80% to 5.55% (2010 : 3.95% to 5.55%).

The nominal value of RM1,300,000,000 unsecured MTN of a subsidiary ranging between one (1) year to eleven (11) years were issued pursuant to a Facility Agreement dated 9 July 2003. Interest is payable semi-annually. The facility bears interest rates ranging from 3.93% to 4.05% (2010: 3.93% to 4.43%).

A principal amount of RM200,000,000 (2010: RM200,000,000) of the subsidiary was repaid during the financial year.

(g) Commercial Papers ('CP')

The Commercial Papers of the Company were issued pursuant to a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2,000,000,000 ('CP/MTN Programme') constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2007.

During the year, the Company issued and repaid RM1,050,000,000 (2010: RM1,800,000,000) of the CP which bears an interest rates ranging from 2.73% to 3.41% (2010: 2.32% to 2.73%).

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Defined contribution plan – Current				
Malaysia	**932**	676	**208**	185
Defined benefit plan – Non-current				
Overseas				
– United Kingdom	**126,608**	180,304	**–**	–
– Indonesia	**6,162**	5,562	**–**	–
	132,770	185,866	**–**	–

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plan – United Kingdom

The Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken at 31 December 2010. This valuation was updated as at 30 June 2011 using revised assumptions.

The movements during the year in the amounts recognised in the Statements of Financial Position are as follows:

	2011 RM'000	2010 RM'000
At 1 July	**180,304**	248,782
Exchange differences	**(1,095)**	(37,735)
Pension cost	**42,104**	73,078
Contributions and benefits paid	**(94,705)**	(103,821)
At 30 June	**126,608**	180,304

The amounts recognised in the Statements of Financial Position are analysed as follows:

	2011 RM'000	2010 RM'000
Present value of funded obligations	**2,105,485**	2,024,342
Fair value of plan assets	**(1,750,355)**	(1,528,990)
Status of funded plan	**355,130**	495,352
Unrecognised actuarial loss	**(228,522)**	(315,048)
Liability in the Statements of Financial Position	**126,608**	180,304

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plan – United Kingdom (continued)

Changes in present value of defined benefit obligations are as follows:

	2011 RM'000	2010 RM'000
At 1 July	**2,024,342**	1,902,248
Exchange differences	**(18,223)**	(350,693)
Interest cost	**107,954**	107,048
Current service cost	**48,825**	42,981
Contributions by scheme participants	**2,944**	4,841
Past service cost	**(23,554)**	2,152
Net benefits paid	**(76,059)**	(79,076)
Actuarial loss on obligation	**39,256**	394,841
Present value of obligation, 30 June	**2,105,485**	2,024,342

Changes in fair value of plan assets is as follows:

	2011 RM'000	2010 RM'000
At 1 July	**1,528,990**	1,627,100
Exchange differences	**(15,152)**	(280,468)
Expected return on plan assets	**93,724**	94,676
Contributions by employer	**94,705**	103,821
Contributions by scheme participants	**2,944**	4,841
Net benefits paid	**(76,059)**	(79,076)
Actuarial gain on plan assets	**121,203**	58,096
Fair value of plan assets, 30 June	**1,750,355**	1,528,990

The pension cost recognised is analysed as follows:

	2011 RM'000	2010 RM'000
Current service cost	**48,825**	42,981
Interest cost	**107,954**	107,048
Expected return on plan assets	**(93,724)**	(94,676)
Past service cost	**(23,554)**	2,152
Actuarial loss recognised	**2,603**	15,573
	42,104	73,078
Actual return on plan assets	**(297,244)**	(122,855)

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plan – United Kingdom (continued)

The charge to the profit or loss was included in the following line items:

	2011 RM'000	2010 RM'000
– cost of sales	**21,556**	40,014
– administrative expenses	**6,318**	8,147
– interest cost	**14,230**	12,372
Total charge to the profit or loss	**42,104**	60,533
Capitalised spread across property, plant and equipment	–	12,545
	42,104	73,078

The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	2011 %	2010 %
Discount rate	**5.60**	5.40
Expected rate of increase in pension payment	**2.20 – 3.30**	2.20 – 3.20
Expected rate of salary increases	**4.40**	3.30
Price inflation	**3.60**	3.30

(c) Defined benefit plan – Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are as presented below:

	2011 RM'000	2010 RM'000
Obligation relating to post-employment benefits	**4,453**	3,808
Obligation relating to other long term employee benefits	**1,709**	1,754
	6,162	5,562

The Group has a defined contribution pension fund program for its permanent national employees. The Group's contribution is 6% of employee basic salary, while the employees' contribution range from 3% to 14%.

The obligation for post-employment and other long term employee benefits were recognised with reference to actuarial report prepared by an independent actuary. The latest actuarial report was dated 30 June 2011.

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(c) Defined benefit plan – Indonesia (continued)

(i) Post-employment benefits obligation

The movements during the year in the amounts recognised in the Statements of Financial Position are as follows:

	2011 RM'000	2010 RM'000
At 1 July	**3,808**	2,883
Exchange differences	**(94)**	133
Pension cost	**1,064**	1,029
Contributions and benefits paid	**(325)**	(237)
At 30 June	**4,453**	3,808

The obligations relating to post-employment benefits recognised in the Statements of Financial Position are as follows:

	2011 RM'000	2010 RM'000
Present value of obligations	**7,088**	5,085
Unrecognised actuarial loss	**(2,261)**	(421)
Unrecognised past service cost	**(374)**	(856)
Liability in the Statements of Financial Position	**4,453**	3,808

Changes in present value of defined benefit obligations are as follows:

	2011 RM'000	2010 RM'000
At 1 July	**3,808**	2,883
Exchange differences	**(94)**	133
Interest cost	**475**	491
Current service cost	**529**	487
Past service cost	**35**	38
Net benefits paid	**(325)**	(237)
Actuarial loss on obligation	**25**	13
Present value of obligation, 30 June	**4,453**	3,808

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(c) Defined benefit plan – Indonesia (continued)

(i) Post-employment benefits obligation (continued)

The pension cost recognised is analysed as follows:

	2011 RM'000	2010 RM'000
Current service cost	**529**	487
Interest cost	**475**	491
Past service cost	**35**	38
Net actuarial losses	**25**	13
	1,064	1,029

(ii) Other long term employee benefits obligation

The obligations relating to other long term employee benefits (i.e. long leave service benefits) recognised in the Statements of Financial Position are as follows:

	2011 RM'000	2010 RM'000
Present value of obligations	**1,709**	1,754

The movements during the year in the amounts recognised in the Statements of Financial Position are as follows:

	2011 RM'000	2010 RM'000
At 1 July	**1,754**	1,480
Exchange differences	**(16)**	78
Pension cost	**475**	521
Contributions and benefits paid	**(504)**	(325)
At 30 June	**1,709**	1,754

Changes in present value of defined benefit obligations are as follows:

	2011 RM'000	2010 RM'000
At 1 July	**1,754**	1,480
Exchange differences	**(16)**	78
Interest cost	**145**	173
Current service cost	**215**	202
Net benefits paid	**(504)**	(325)
Actuarial loss on obligation	**115**	146
Present value of obligation, 30 June	**1,709**	1,754

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(c) Defined benefit plan – Indonesia (continued)

(ii) Other long term employee benefits obligation (continued)

The amounts relating to other long term employee benefits obligation recognised in the profit or loss are as follows:

	2011 RM'000	2010 RM'000
Current service cost	**215**	202
Interest cost	**145**	173
Net actuarial losses	**115**	146
	475	521

All of the charges above were included in the cost of sales.

The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	2011 %	2010 %
Discount rate	**8.8**	9.8
Expected rate of return on plan assets	**8.0**	8.0
Expected rate of salary increase	**9.0**	8.0

34. DEFERRED INCOME

	Group	
	2011 RM'000	2010 RM'000
At 1 July	**218,140**	198,257
Exchange differences	**4,634**	(25,479)
Recognition of investment allowance	**14,370**	21,058
Received during the year	**29,196**	30,360
Amortisation	**(9,506)**	(6,056)
At 30 June	**256,834**	218,140

Deferred income represents government grants in foreign subsidiaries in respect of specific qualifying expenditure on infrastructure assets, non-infrastructure assets and a cogeneration plant.

35. PAYABLES (NON-CURRENT)

	Group	
	2011 RM'000	2010 RM'000
At 1 July	**5,932**	9,320
Exchange differences	**1,154**	(1,315)
Received during the year	**19,835**	(496)
Refunded during the year	**(1,044)**	(1,577)
At 30 June	**25,877**	5,932

Non-current payables are mainly deposits collected from retail customers in electricity sales and deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure.

36. PAYABLES AND ACCRUED EXPENSES (CURRENT)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	**966,277**	952,555	–	–
Duties and taxes payable	**14,778**	8,847	–	–
Accrued expenses	**487,710**	349,608	**23,960**	21,818
Receipts in advance	**161,533**	147,764	–	–
Dividends payable	**135,418**	269,610	**135,418**	269,610
Other payables	**441,510**	291,744	–	763
Security deposit	**116,985**	94,954	–	–
	2,324,211	2,115,082	**159,378**	292,191

Credit terms of trade payables granted to the Group range from 30 to 60 days (2010: 30 to 60 days).

37. PROVISION FOR LIABILITIES AND CHARGES

	Group	
	2011 RM'000	2010 RM'000
At 1 July	**20,660**	39,118
Exchange differences	**1,064**	(2,658)
Charge/(Credited) during the year	**3,705**	(5,594)
Payment	**(5,330)**	(10,206)
At 30 June	**20,099**	20,660

The provision for liabilities and charges relate to the scaling down of operations of certain subsidiaries of the Group.

38. AMOUNTS OWING BY/(TO) RELATED COMPANIES

The amounts owing by/(to) related companies are unsecured, interest free and payable on demand. The amounts owing by/(to) related companies principally relate to operation and maintenance expenses of power plant of a subsidiary and expenses paid on behalf of the Company.

39. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk (comprising of foreign currency exchange risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through regular risk review analysis, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the appropriate control environment frameworks.

(a) Market risk

(i) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to risks arising from various currency exposures primarily with respect to the Great Britain Pounds and Singapore Dollars. The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the respective functional currencies.

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables and on cash flows generated from anticipated transactions denominated in foreign currencies.

The following table illustrates the effects on the Group's net assets resulting from currency fluctuations (on the basis all other variables remain constant).

Group 2011	Increase/Decrease Net assets RM'000
5% changes on GBP exchange rate	**140,958**
5% changes on SGD exchange rate	**332,793**

There is no significant exposure to foreign currency exchange risk at the Company level.

39. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate exposure arises from the Group's borrowings, deposits and short term investment, and is managed through the use of fixed and floating rate debts and derivative financial instruments. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. However, it is partially offset by the interest income accurring on fixed deposits.

The interest rate profile of the Group's and the Company's significant interest–bearing financial instruments, based on carrying amounts as at the reporting date, was:

	Group 2011 RM'000	Company 2011 RM'000
Fixed rate instruments		
Financial liabilities	**7,644,510**	4,093,984
Variable rate instruments		
Financial assets	**6,768,272**	250,951
Financial liabilities	**13,453,357**	300,000

At the reporting date, if annual interest rates had been 50 basis points higher/lower respectively, with all other variables in particular foreign exchange rates and tax rate being held constant, the profit after tax will be lower/higher by RM67.3 million as a result of increase/decrease in interest expense on these borrowings.

The excess funds of the Group are invested in bank deposits and other short term instruments. The Group manages its liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 10 basis points, interest income for the financial year would increase/decrease by RM6.8 million.

(iii) Price risk

Investments

The Group is exposed to equity securities price risk arising from investments held by the Group and classified on the Statements of Financial Position as available-for-sale financial assets and investments carried at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The Group's investments are primarily publicly traded. The impact of an increase/decrease on the quoted prices to the Group's profit for the year and net assets is approximately RM20.0 million. This analysis is based on 10% increase or decrease in the quoted market price of these investments as at the reporting date, with all other variables remaining constant.

39. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

Fuel commodity price risk

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

Exposure to price fluctuations arising from the purchase of fuel is managed via fuel oil swaps where the price of fuel is indexed to a benchmark fuel price index, for example 180 CST fuel oil. As at 30 June 2011, if the forward fuel oil price curve increased/decreased by 2%, profit before tax would be lower/higher by RM4.5 million for the Group.

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counter party to settle their obligations to the Group. Credit risk of the Group arises mainly from trade receivables, fixed deposits, short term investments and derivative financial instruments.

The Group seeks to invest cash assets safely and profitably with creditworthy institutions. All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

In the Group's power generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counterparty risk is considered to be minimal. As for the Group's power generation business in Singapore, credit reviews are performed on all customers with established credit limits and supported by collateral in the form of guarantees. For the Group's water and sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In addition, the Directors are of the view that credit risk arising from these businesses is limited due to the large customer base.

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

As at the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the Statements of Financial Position.

Intercompany balances

The Company provides unsecured advances to subsidiaries and where necessary makes payments for expenses on behalf of its subsidiaries. The Company monitors the results of the subsidiaries regularly. As at 30 June 2011, the maximum exposure to credit risk is represented by their carrying amounts in the Statements of Financial Position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 30 June 2011, there was no indication that the advances extended to the subsidiaries are not recoverable.

39. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient bank deposits and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility by keeping committed credit lines available.

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual payments:

Group 2011	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
Non-derivative financial liabilities				
Bonds	–	2,143,984	5,672,205	7,816,189
Borrowings	6,482,273	6,102,988	766,825	13,352,086
Trade and other payables	2,324,211	25,877	–	2,350,088
Derivative financial liabilities				
Net - Interest rate swaps	36,934	10,227	8,366	55,527
Gross - fuel oil swaps	25,314	–	–	25,314
Gross - currency forwards	31,904	1,386	10	33,300
	8,900,636	8,284,462	6,447,406	23,632,504

(d) Capital risk

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Statements of Financial Position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Statements of Financial Position plus net debt.

	Group 2011 RM'000	Company 2011 RM'000
Total bonds & borrowings (Note 31 & 32)	21,097,867	4,393,984
Less: Fixed deposits, cash and bank balances	(7,178,749)	(257,573)
Net debt	13,919,118	4,136,411
Total equity	8,391,299	7,783,832
Total capital	22,310,417	11,920,243
Gearing ratio	62%	35%

To strengthen the capital structure of the Company, all borrowings of subsidiaries are on a non-recourse basis to the Company save and except for those borrowings guaranteed by the Company as set out in Note 42 to the financial statements.

40. FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides an analysis of the Group's financial instruments categorised as follow:

Group	Loans and receivables RM'000	Assets at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-for-sale RM'000	Total RM'000
2011					
Assets as per Statements of Financial position					
Available-for-sale financial assets	–	–	–	170,304	170,304
Financial assets at fair value through profit or loss	–	82,967	–	–	82,967
Investment in preference shares	492,705	–	–	–	492,705
Derivative financial instruments	–	19,135	79,380	–	98,515
Trade and other receivables excluding pre-payments[1]	2,258,748	–	–	–	2,258,748
Cash and cash equivalents	7,131,314	–	–	–	7,131,314
	9,882,767	102,102	79,380	170,304	10,234,553

	Liabilities at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Liabilities as per Statements of Financial position				
Bonds	–	–	7,816,189	7,816,189
Borrowings (excluding finance lease liabilities)	–	–	12,957,433	12,957,433
Finance lease liabilities	–	–	324,245	324,245
Derivative financial instruments	21,918	92,223	–	114,141
Trade and other payables excluding statutory liabilities[2]	–	–	2,309,433	2,309,433
	21,918	92,223	23,407,300	23,521,441

40. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The table below provides an analysis of the Company's financial instruments categorised as follow:

Company	Loans and receivables RM'000	Assets at fair value through profit loss RM'000	Available for-sale RM'000	Total RM'000
2011				
Assets as per Statements of Financial position				
Available-for-sale financial assets	–	–	99,256	99,256
Financial assets at fair value through profit or loss	–	82,967	–	82,967
Trade and other receivables excluding pre-payments[1]	5,641	–	–	5,641
Cash and cash equivalents	257,573	–	–	257,573
	263,214	82,967	99,256	445,437

	Other financial liabilities at amortised cost RM'000	Total RM'000
Liabilities as per Statements of Financial position		
Bonds	2,143,984	2,143,984
Borrowings (excluding finance lease liabilities)	2,250,000	2,250,000
Trade and other payables excluding statutory liabilities[2]	159,378	159,378
	4,553,362	4,553,362

1 Pre-payments are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments.

2 Statutory liabilities are excluded from the trade and other payables balance, as this analysis is required only for financial instruments.

41. COMMITMENTS (continued)

(a) Capital commitments:

	Group 2011 RM'000	Group 2010 RM'000
Contracted, but not provided for	**1,233,326**	780,186
Authorised, not contracted for	–	35,702

The above commitments comprise purchase of spare parts and property, plant and equipment.

(b) Operating lease arrangements:

(i) The Group as lessee

The future minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are analysed as follows:

	Group 2011 RM'000	Group 2010 RM'000
Lease rental on sublease of office space:		
Not later than 1 year	**48,739**	3,752
Later than 1 year but not later than 5 years	**125,375**	7,191

(ii) The Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables are analysed as follows:

	Group 2011 RM'000	Group 2010 RM'000
Not later than 1 year	**39,488**	5,631
Later than 1 year but not later than 5 years	**8,044**	1,408

42. CONTINGENT LIABILITIES

A subsidiary has provided performance guarantees on behalf of its subsidiary in respect of tender for contracts. The maximum liability as at 30 June 2011 amounted to RM1,548,605 (2010: RM1,426,074).

There is a joint and several shareholders' contingent support with Siemens Financial Services to invest up to a further equity which amounted to RM35,219,030 (2010: RM37,982,450) in P.T. Jawa Power, an associated company of the Group.

As at 30 June 2011, the Company has given the following guarantees:

(i) Term loans of USD200,000,000 and USD200,000,000 respectively guaranteed by the Company. These loans are repayable in full on 17 December 2012 and 30 June 2015 respectively.

(ii) Revolving credit of SGD100,000,000 guaranteed by the Company. The loan matures on 16 May 2012.

(iii) Corporate guarantee of RM108,371,375 to financial institutions for letter of credit facilities utilised by its subsidiaries.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

43 SEGMENTAL INFORMATION

The Group has five reportable segments as described below:

a) Power generation (Contracted)
b) Multi utilities business (Merchant)
c) Water and sewerage
d) Mobile broadband network
e) Investment holding and other businesses

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

43. SEGMENTAL INFORMATION (continued)

At 30 June 2011	Power Generation (Contracted) RM'000	Multi utilities business (Merchant)#1 RM'000	Water & Sewerage RM'000	Mobile broadband network RM'000	Investment holding & other businesses RM'000	Group RM'000
Revenue						
Total revenue	1,087,338	11,149,547	2,293,708	26,901	1,402,159	15,959,653
Inter-segment elimination	–	–	–	(298)	(1,296,796)	(1,297,094)
External revenue	1,087,338	11,149,547	2,293,708	26,603	105,363	14,662,559
Results						
Dividend income	640	–	–	–	–	640
Share of results of associates	–	–	–	–	286,812	286,812
Interest income	8,404	1,142	3,886	310	14	13,756
Finance costs	(60,352)	(221,685)	(339,155)	(482)	(225,821)	(847,495)
Segment profit/(loss)	312,178	884,119	639,324	(280,198)	1,483	1,556,906
Other segment items						
Capital expenditures	112,316	259,505	552,046	634,146	325	1,558,338
Depreciation	232,562	324,926	405,056	25,064	350	987,958
Segment assets						
Investment in associates and JV	–	–	–	–	1,138,020	1,138,020
Other segment assets	2,474,276	12,180,584	11,504,070	1,448,221	6,500,613	34,107,764
	2,474,276	12,180,584	11,504,070	1,448,221	7,638,633	35,245,784
Segment liabilities						
Bonds and borrowings	1,499,825	6,510,692	7,485,108	8,018	5,594,224	21,097,867
Other segment liabilities	494,970	1,953,961	2,666,885	460,267	180,535	5,756,618
	1,994,795	8,464,653	10,151,993	468,285	5,774,759	26,854,485

43. SEGMENTAL INFORMATION (continued)

At 30 June 2010	Power Generation (Contracted) RM'000	Multi utilities business (Merchant)[#1] RM'000	Water & Sewerage RM'000	Investment holding & other businesses RM'000	Group RM'000
Revenue					
Total revenue	1,127,875	9,750,600	2,455,904	1,017,937	14,352,316
Inter-segment elimination	–	–	–	(909,399)	(909,399)
External revenue	1,127,875	9,750,600	2,455,904	108,538	13,442,917
Results					
Dividend income	603	–	–	–	603
Share of results of associates	–	–	–	226,513	226,513
Interest income	5,677	913	872	3,422	10,884
Finance costs	(49,781)	(254,190)	(318,477)	(206,316)	(828,764)
Segment profit/(loss)	332,673	705,114	700,806	(53,678)	1,684,915
Other segment items					
Capital expenditures	73,129	380,715	463,771	651,760	1,569,375
Depreciation and amortisation charge	147,055	207,392	420,954	716	776,117
Segment assets					
Investment in associates and JV	–	–	–	992,907	992,907
Other segment assets	2,545,502	11,624,959	11,704,692	7,050,873	32,926,026
	2,545,502	11,624,959	11,704,692	8,043,780	33,918,933
Segment liabilities					
Bonds and borrowings	1,099,734	6,207,057	7,853,849	6,021,719	21,182,359
Other segment liabilities	587,935	1,571,643	2,745,097	621,833	5,526,508
	1,687,669	7,778,700	10,598,946	6,643,552	26,708,867

[#1] This segment encompasses a large portion of the value chain involved in the generation of electricity. This includes the generation and sale of electricity to both wholesale and retail markets, as well as oil trading and oil tanking leasing.

43. SEGMENTAL INFORMATION (continued)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

	Revenue		Non-current assets	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	**1,131,719**	1,152,917	**2,916,006**	2,427,904
Singapore	**11,149,547**	9,750,600	**9,413,975**	8,987,931
United Kingdom	**2,293,708**	2,455,904	**10,850,392**	10,802,751
Other countries	**87,585**	83,496	**8,593**	8,756
	14,662,559	13,442,917	**23,188,966**	22,227,342

Non-current assets information presented above consist of the followings items as presented in the Statements of Financial Position.

	Non-current assets	
	2011 RM'000	2010 RM'000
Property, plant and equipment	**16,662,340**	15,955,022
Prepaid lease payments	**–**	63,608
Intangible assets	**6,484,398**	6,148,646
Receivables, deposits and prepayments	**42,228**	60,066
	23,188,966	22,227,342

Major customers

The following are major customers with revenue equal or more than 10 per cent of Group's revenue:

	Revenue		
	2011 RM'000	2010 RM'000	Segment
– Tenaga Nasional Berhad	**1,087,338**	1,127,875	Power generation (Contracted)
– Energy Market Company	**5,108,249**	4,523,262	Multi utilities business (Merchant)

44. EFFECTS OF STANDARDS AND INTERPRETATIONS THAT ARE EFFECTIVE DURING THE YEAR

The following describes the impact of the new standards, amendments to the published standards and IC interpretations adopted by the Group and the Company for financial year beginning on 1 July 2010 as listed in note 2 to the financial statements:

(a) FRS 7 'Financial Instruments: Disclosures'

The adoption of FRS 7 'Financial Instruments: Disclosures' and Amendments to FRS 132 'Financial Instruments: Presentation' does not impact the financial results of the Group and the Company as the changes introduced are on presentation and disclosures.

(b) FRS 101 'Presentation of Financial Statements'

The revised FRS 101 'Presentation of Financial Statements' requires all non–owner changes in equity to be shown in a performance statement, but entities can choose whether to present one performance statement (the Statement of Comprehensive Income) or two statements (the Income Statement and Statement of Comprehensive Income). The Group and the Company have elected to present the Statements of Comprehensive Income in two statements.

(c) FRS 117 'Leases'

The improvement to FRS 117 'Leases' clarifies that the default classification of land elements in a land and building lease is no longer an operating lease. As a result, leases of land should be classified as either finance or operating, using the general principles of FRS 117. The Group has reassessed and determined that all leasehold land are in substance finance leases and has reclassified these leasehold lands to property, plant and equipment. As the amount of reclassification is not material, the Group has reclassified prepaid lease payments to property, plant and equipment in the current year.

(d) IC 12 'Service Concession Arrangements'

IC 12, 'Service Concession Arrangements' has been applied by the Group since 1 July 2010. This interpretation has a limited impact on the Statements of Financial Position and Income Statements in view of the features of the Group's concession agreements.

For most of its concessions, the Group considers that the grantors do not have the characteristic features of control over infrastructures as defined in IC 12 except for a concession agreement in one of its associated companies. The effect of applying IC 12 to the financial statements of the associate company was not material.

(e) FRS 139 'Financial Instruments: Recognition and Measurement'

The Group and the Company has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 'Financial Instruments: Recognition and Measurement' on 1 July 2010.

The Group and the Company has applied the new policy according to the transitional provision of FRS 139 by remeasuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained profits or, if appropriate, another category of equity, of the current financial year.

44. EFFECTS OF STANDARDS AND INTERPRETATIONS THAT ARE EFFECTIVE DURING THE YEAR (continued)

(f) The effects arising from the adoptions of FRS 139 are as follows:

	As previously reported RM'000	FRS 139 adjustments RM'000	Restated RM'000
Group – Balance as at 1 July 2010			
Non-current Assets			
Associated companies	992,907	(2,873)	990,034
Investments	111,043	46,610	157,653
Investment in preference shares	583,257	(56,356)	526,901
Derivative financial instruments	–	1,684	1,684
Current Assets			
Derivative financial instruments	1,949	23,166	25,115
Non-current liabilities			
Derivative financial instruments	–	16,806	16,806
Current liabilities			
Derivative financial instruments	23,749	77,058	100,807
Reserves			
Available-for-sale reserve	–	34,832	34,832
Hedging Reserve	–	(71,543)	(71,543)
Retained earnings	4,458,201	(44,922)	4,413,279
Company – Balance as at 1 July 2010			
Non-current Assets			
Investments	96,578	41,073	137,651
Reserves			
Available-for-sale reserve	–	27,605	27,605
Retained earnings	1,389,538	13,468	1,403,006

45. SIGNIFICANT SUBSEQUENT EVENT

On 7 July 2011, the Company together with YTL Jawa Power Holdings Limited ('YTLJPHL'), a wholly-owned subsidiary of the Company, entered into a share purchase agreement ('SPA') with Marubeni Corporation ('Marubeni') and Aster Power Holding B.V., a wholly-owned subsidiary of Marubeni, relating to the sale and purchase of 7,714 ordinary shares of EUR1.00 and certain Company Interests (as defined in the SPA) in YTL Jawa Power Holdings B.V. ('YTLJPH') representing 15/35 or 42.86% equity interests in YTLJPH.

The sale was completed on 15 August 2011. Arising from the disposal, the effective control interest in P.T. Jawa Power was reduced from 35% to 20%.

46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 4 October 2011.

47. SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

The following analysis of realised and unrealised retained profits/(accumulated losses) at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group and the Company are based on the prescribed format by the Bursa Malaysia Securities Berhad.

	Group 2011 RM'000	Company 2011 RM'000
Retained profits/(Accumulated losses) of the Company and its subsidiaries		
– Realised	5,767,287	1,069,105
– Unrealised	(1,355,558)	38,893
	4,411,729	1,107,998
Retained profits/(Accumulated losses) from associated companies		
– Realised	639,430	–
– Unrealised	(67,029)	–
	572,401	–
Add: Consolidated adjustments	116,845	–
Total retained profits	5,100,975	1,107,998

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

We, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, and DATO' YEOH SEOK HONG, two of the Directors of YTL POWER INTERNATIONAL BERHAD, state that, in the opinion of the Directors, the financial statements set out on pages 73 to 174 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2011 and of the results and the cash flows of the Group and the Company for the financial year ended on that date in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965.

The information set out in Note 47 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 4 October 2011.

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

Dato' Yeoh Seok Hong
Director

Statutory Declaration pursuant to Section 169(16) of the Companies Act, 1965

I, DATO' YEOH SEOK HONG, the Director primarily responsible for the financial management of YTL POWER INTERNATIONAL BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 73 to 174 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Dato' Yeoh Seok Hong
Director

Subscribed and solemnly declared by the abovenamed Dato' Yeoh Seok Hong at Kuala Lumpur on 4 October 2011, before me.

Tan Seok Kett
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL Power International Berhad on pages 73 to 174 which comprise the Statements of Financial Position as at 30 June 2011 of the Group and of the Company, and the statements of income, comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 46.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 15 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 47 on page 174 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PricewaterhouseCoopers
(No. AF: 1146)
Chartered Accountants

Irvin George Luis Menezes
(No. 2932/06/12 (J))
Chartered Accountant

Kuala Lumpur
4 October 2011

Form of Proxy

I/We *(full name as per NRIC/company name in block capitals)* ______________________________

____

NRIC/Company No. *(New)* ______________________ *(Old)* ______________________

CDS Account No. *(for nominee companies only)* ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Power International Berhad** hereby appoint *(full name as per NRIC in block capitals)* ____________

____

NRIC No. *(New)* ______________________ *(Old)* ______________________

of *(full address)* ______________________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 29 November 2011 at 2.00 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Dato' Yeoh Seok Kian		
2.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
3.	Re-election of Dato' Mark Yeoh Seok Kah		
4.	Re-election of Dato' Yusli Bin Mohamed Yusoff		
5.	Re-appointment of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay		
6.	Re-appointment of Dato' (Dr) Yahya Bin Ismail		
7.	Approval of the payment of Directors' fees		
8.	Re-appointment of Messrs. PricewaterhouseCoopers as Company Auditors		
9.	Authorisation for Directors to Allot and Issue Shares		
10.	Proposed Renewal of Share Buy-Back Authority		
11.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Number of shares held

Signed this ____________ day of ____________________, 2011. Signature ______________________

Notes:-

1. *A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.*

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Affix Stamp
Here

The Company Secretary

YTL POWER INTERNATIONAL BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

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