YTL Power
YTL GROUP

YTL POWER INTERNATIONAL BERHAD
199601034332 (406684-H)

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

T 603 2038 0888
F 603 2038 0388

W www.ytlpowerinternational.com
W www.ytlcommunity.com

YTL POWER INTERNATIONAL BERHAD
ANNUAL REPORT **2023**

BUILDING THE RIGHT THING

The Journey Continues...

YTL Power
YTL GROUP

ANNUAL REPORT 2023

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

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CORPORATE PROFILE

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

The YTL Power Group owns Wessex Water Limited, a water and sewerage provider with 2.9 million customers in the UK, and YTL PowerSeraya Pte Limited, which has a total licensed generation capacity of 3,100 megawatts and multi-utility operations in Singapore. In Malaysia, YTL Power owns a 60% stake in YTL Communications Sdn Bhd, which provides high-speed 4G and 5G services under the YES brand.

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

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

BUILDING THE RIGHT THING | The Journey Continues...

Business Segments

- Power Generation
- Water & Sewerage
- Telecommunications
- Investment Holding Activities

Key Financial Highlights

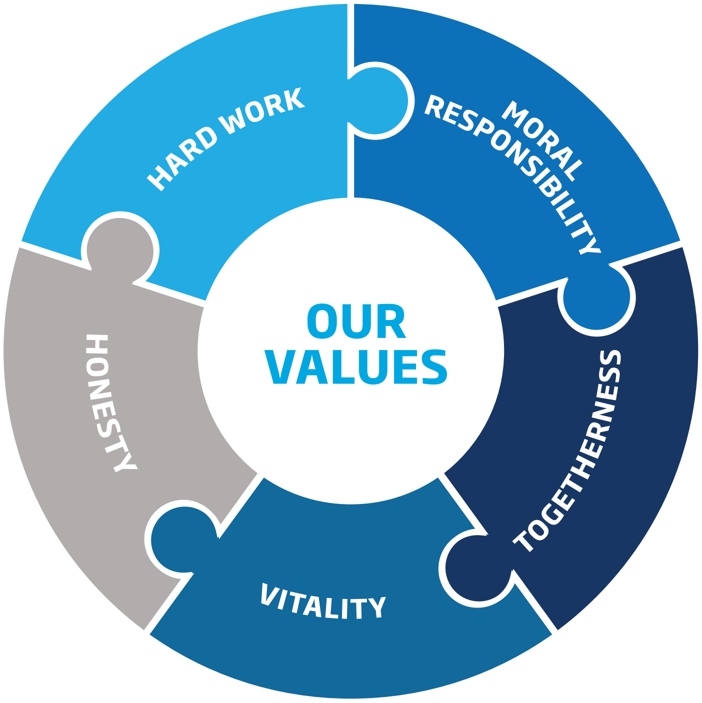
Revenue	Profit Before Tax	Total Assets	Market Capitalisation
RM21,890.5 million	RM2,449.5 million	RM59,132.0 million	RM16,619.9 million
FY2023	FY2023	as at 30.06.2023	as at 30.09.2023

Our Purpose

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

Our Mission

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

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

Managing Director

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

Directors

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

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

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

Dato' Yeoh Seok Kian
DSSA
BSc (Hons) Bldg, MCIOB, FFB, (Hon) D.Univ

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

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

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

Faiz Bin Ishak
Fellow of the Association of Chartered Certified Accountants

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388
Email : corpsecretariat@ytl.com

BUSINESS OFFICE

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

REGISTRAR

YTL Corporation Berhad
33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388
Email : shares@ytl.com

CORPORATE INFORMATION

AUDIT COMMITTEE

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

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

Datuk Loo Took Gee
(Independent Non-Executive Director)

NOMINATING COMMITTEE

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

Datuk Loo Took Gee
(Independent Non-Executive Director)

Faiz Bin Ishak
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

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

Datuk Loo Took Gee
(Independent Non-Executive Director)

Faiz Bin Ishak
(Independent Non-Executive Director)

AUDITORS

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (23.5.1997)

EXECUTIVE CHAIRMAN'S STATEMENT

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

This was a sterling year for our Group as we saw revenue and profits at their highest-ever levels, and operating performance across all business divisions remained strong.

We declared two interim dividends amounting to 6.0 sen per share in respect of the 2023 financial year. This is the 26th consecutive year in our dividend track record since listing on the Kuala Lumpur stock exchange in 1997, and a 33% increase over last year. In safeguarding the financial resilience of our Group, we continue to maintain a stable and prudent financial structure and, as always, decisions about dividends are performance-driven with a view to ensuring ongoing financial strength.

Protecting the long-term viability and sustainability of our businesses is a core tenet of our strategy and this year proved no different in reinforcing how vital this has been to the growth and development of our Group.

As our long-term shareholders will know, YTL PowerSeraya, which we acquired during the Global Financial Crisis, served as a bulwark for our Group against the global economic downturn and volatility that ensued.

EXECUTIVE CHAIRMAN'S STATEMENT

Having successfully navigated the structural issues plaguing the market in recent years, we now see the turnaround and return to stability.

Around the same time, in 2010, we started on our path towards digital transformation with our 4G telecommunications business, leading the way in democratising the availability of high-speed internet access across the Peninsula.

With the headway made towards 5G over the last year, and new digital banking and green data center businesses, our journey has become more interesting than ever, opening up the possibilities of advanced new technologies and applications. When we look ahead to our new growth areas, we take the same long-term view that has served our Group so well since inception.

In a similar vein, we have now owned Wessex Water for over 20 years, making us the longest single owner of a UK water and sewerage company. We have a demonstrable track record of responsible ownership and Wessex Water is one of the best performers in the sector. Nevertheless, unprecedented criticism from the public, media and politicians about the state of rivers and the impact of storm overflows in the UK over the past year has necessitated a reassessment of investment programmes and priorities throughout the industry.

Solving this problem will take many years of sustained effort and investment. It is also vital that the solutions employed stand the test of time, against a background of climate emergency and changing rainfall patterns, and Wessex Water will pursue nature-based treatments and solutions wherever possible.

In considering the wider environment in which we operate and the many stakeholders that our activities impact, a long-term outlook is the only viable approach towards ensuring the ongoing success, resilience and sustainability of our Group.

As we embark on a new year, we remain committed to continuing to provide the essential services on which our millions of customers are reliant, and operating in a way that delivers the best outcomes for our communities and the longevity of our organisation.

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

Economic Review

The Malaysian economy registered a strong recovery in 2022, with gross domestic product (GDP) growth of 8.7%, exceeding pre-pandemic levels. Recovery was driven by the realisation of pent-up demand following the full upliftment of COVID-19 containment measures, resilient export performance, higher tourism activity and continued policy support. In 2023, Malaysia's economy expanded by 5.6% in the first quarter but growth eased in the second quarter to 2.9% due to weaker external demand *(sources: Bank Negara Malaysia updates & reports)*.

In other major economies where the Group operates, the United Kingdom recorded GDP growth of 4.1% for the 2022 calendar year. As a result of high inflationary pressures, the UK economy only expanded 0.2% in the first quarter of 2023 and 0.4% in the second quarter on a year-on-year basis. Singapore's economy expanded by 3.6% in 2022. Growth moderated to 0.4% and 0.5% on a year-on-year basis in the first and second quarters of 2023 *(sources: Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports)*.

MANAGING DIRECTOR'S REVIEW

DATO' YEOH SEOK HONG
Managing Director

OVERVIEW

I am pleased to report that our Group achieved our highest-ever profit after tax of RM2.03 billion this year on the back of revenue of RM21.9 billion, also a record high.

This significant improvement in performance was driven primarily by our power generation business under YTL PowerSeraya in Singapore. Our water and sewerage business in the UK and telecommunications business in Malaysia faced challenges but operating performance remained stable.

With about 97.1% of our Group's revenue being generated from overseas businesses, the results were also bolstered by foreign exchange gains for the financial year under review.

This enabled us to continue to reward shareholders, with two interim cash dividends declared in respect of the 2023 financial year, amounting to 6.0 sen per share, a 33% increase over 4.5 sen per share last year.

REGIONAL EVOLUTION

Singapore's electricity market continues to see a return to stability with lower price volatility in the wholesale market. Against this backdrop, YTL PowerSeraya delivered a strong set of results, with last year's acquisition of Tuaspring Power Plant by wholly-owned subsidiary, Taser Power Pte Ltd, the newest and most efficient on the grid, contributing to the growth in generation market share.

With our unique positioning in Malaysia and Singapore, we aim to play our part in lowering the carbon footprints of both countries by facilitating the export of green energy from Malaysia, supplementing Singapore's existing capacity as Malaysia continues to accelerate its growth in renewable energy generation capacity.

Over the medium to longer term, we are pursuing upstream decarbonisation efforts by developing clean energy solutions and actively sourcing low carbon electricity generation. This will also facilitate the unlocking of downstream opportunities through sustainable electrification and carbon abatement solutions.

In January 2023, we signed a joint venture agreement with TNB Power Generation Sdn Bhd, a wholly-owned subsidiary of Tenaga Nasional Berhad, for the export and import 100 MW of electricity from Malaysia to Singapore via a newly upgraded interconnector.

This strategic alliance marks the inaugural electricity import from Malaysia to Singapore commercially under the Malaysian Energy Commission's Guide for Cross-Border Electricity Sales. This initiative will diversify Singapore's energy sources, further enhancing its energy security, and is a significant step towards the vision of a strong ASEAN power grid.

In line with Singapore's objective to deploy 12,000 electric vehicle (EV) chargers at public housing estates' carparks by 2025, a joint venture company ChargEco was formed in November 2022 between YTL PowerSeraya and Strides Mobility, a leading mobility solutions and services provider and a wholly-owned subsidiary of Singapore's SMRT Corporation Ltd, to install, operate and maintain 1,200 EV chargers in Singapore.

ONGOING RESILIENCE

Strong financial foundations and operational performance have continued to underpin the provision and delivery of leading service levels for Wessex Water's customers and communities in the UK.

Wessex Water continues to exemplify the safe haven protection that regulated assets add to our Group. This year, Wessex Water's regulated asset base (RAB) value increased 11% to £4.1 billion (RM24.4 billion) from £3.7 billion (RM21.8 billion) last year.

Over the longer term, we expect to continue to see ongoing growth in RAB owing to inflationary trends in the UK and the industry-wide re-examination of the capital expenditure needed for infrastructure improvements. A higher RAB value in turn has the effect of decreasing our gearing in terms of Wessex Water's debt-to-RAB ratio, and will further reinforce our financial position.

On the operational front, Wessex Water continues to champion innovation and markets to drive down costs and customer bills. In particular, this revolves around implementing nature-based solutions and partnerships, which would have multiple benefits in keeping costs down, having a lower carbon footprint, supporting nature recovery and improving resilience, fully in line with our Group's priorities.

DIGITAL TRANSFORMATION

We forged ahead this year on the digital transformation front, led by our green data center business and encompassing our 5G telecommunications and new digital bank venture.

Progress is well underway on Phase 1 of the YTL Green Data Center Park in Kulai, Johor, which will be the first data center campus in Malaysia to be powered by on-site renewable energy.

In January this year, we mandated Malayan Banking Berhad and OCBC Bank (Malaysia) Berhad as joint lead arrangers for a RM1.1 billion Islamic term financing facility for Phase 1, with a commitment to secure Gold LEED certification, and in compliance with Green Loan Principles published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association.

The transaction signifies YTL Power's ongoing commitment towards transitioning to a green and circular economy while contributing to our environmental objectives of climate change mitigation and the promotion of green buildings.

The YTL Green Data Center Park will be powered by our solar power generation facility of up to 500 MW. Ultimately, the Park will provide data storage co-location services to clients looking for more sustainable and lower carbon solutions within Southeast Asia, serving as the foundation for our greater objective of carbon neutrality for our data centers across the region.

We made excellent progress this year with our 5G offerings. YES 5G was awarded Malaysia's fastest mobile network speed in Q3-Q4 2022 and again in Q1-Q2 2023 by Ookla, the global leader in fixed broadband and mobile network testing applications, data and analysis.

Our services also picked up four awards at the Malaysian Communications and Multimedia Commission (MCMC) Star Rating Awards, amongst them '*Best Quality of Service*' and '*Best in Consumer Satisfaction*'.

Meanwhile, work is ongoing towards commencement of operations on our digital bank, the licence for which our Group in consortium with Sea Limited was awarded by Bank Negara Malaysia in April 2022.

OUTLOOK

Our core businesses delivered another strong year of operating performance and remain well-grounded in the face of growing economic, environmental and geo-political volatility.

Meanwhile, our new businesses in green data centers, solar power generation and other renewable energy solutions driving digital transformation bolster the outlook and prospects for our Group, moving into the future.

DATO' YEOH SEOK HONG
DPMS, DSPN, JP

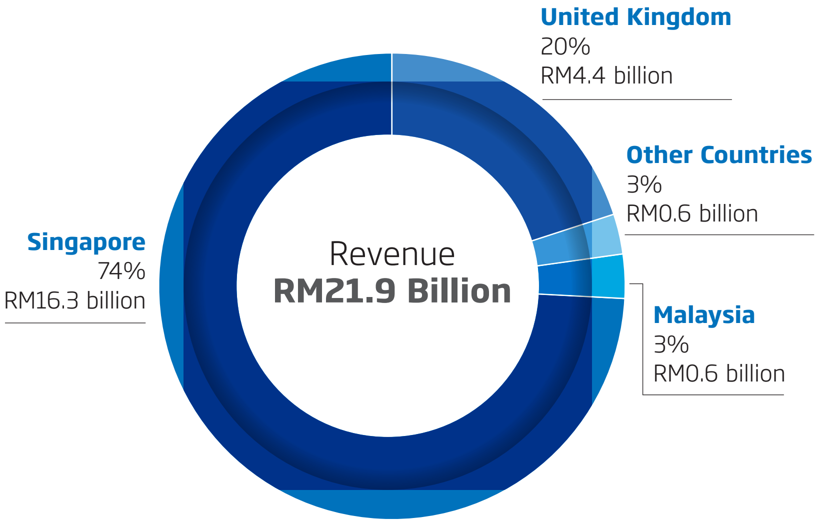
MANAGEMENT DISCUSSION & ANALYSIS
GROUP OVERVIEW

OVERVIEW

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

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

Revenue by Country - FY2023



MANAGEMENT DISCUSSION & ANALYSIS
GROUP OVERVIEW

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

In Malaysia, YTL Power owns a 60% stake in YTL Communications Sdn Bhd ("YTL Comms"), which provides high-speed 4G and 5G services under the YES brand.

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

MANAGEMENT DISCUSSION & ANALYSIS
GROUP OVERVIEW

OBJECTIVES & STRATEGIES

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

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

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

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

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

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

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

  This includes investing in more sustainable renewable energy solutions. In implementing its strategy, the Group focuses strongly on governance, compliance and managing the economic, environmental and social impacts of its businesses to ensure the long-term sustainability and viability of its operations.

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

  The YTL Power Group's regulated assets demonstrate ongoing growth, with the regulated asset value of these assets increasing over time. Wessex Water's regulatory capital value, for example, has grown from GBP1.3 billion (approximately RM7.7 billion) when it was acquired by YTL Power in 2002 to GBP4.1 billion (approximately RM24.4 billion) as at 30 June 2023.

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

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

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

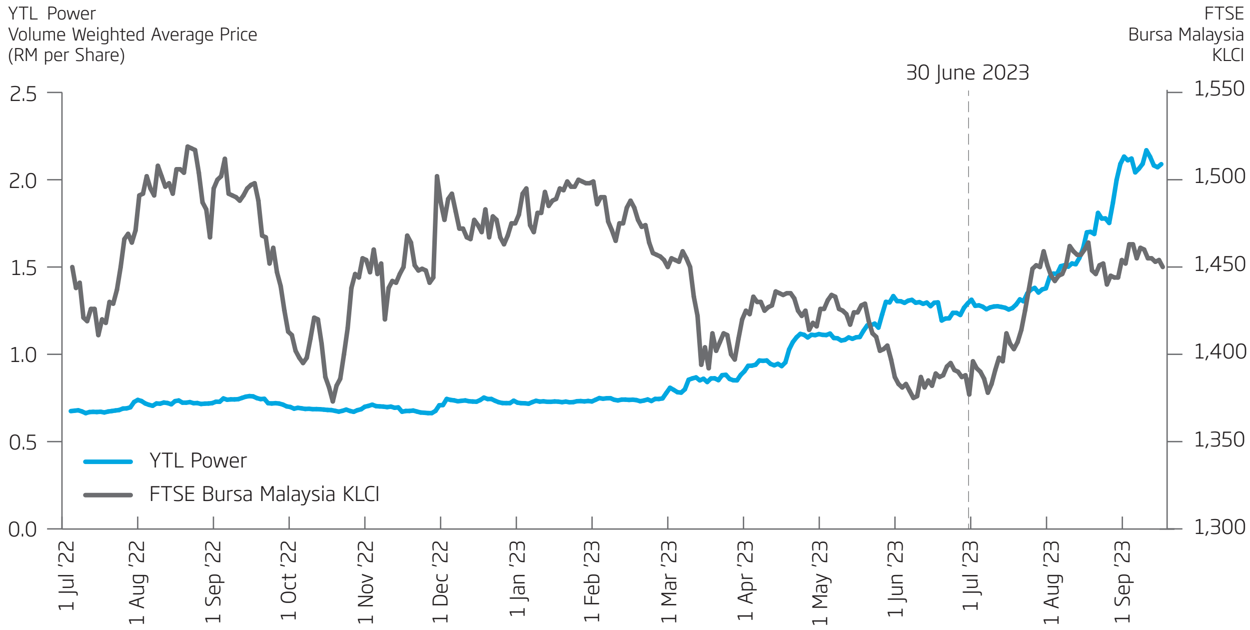
  The Group believes that its utility assets on average operate within the highest efficiency levels of their industries and further enhances operational efficiencies where possible through the application of new technologies, production techniques and information technology, to ensure the delivery of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

PERFORMANCE INDICATORS

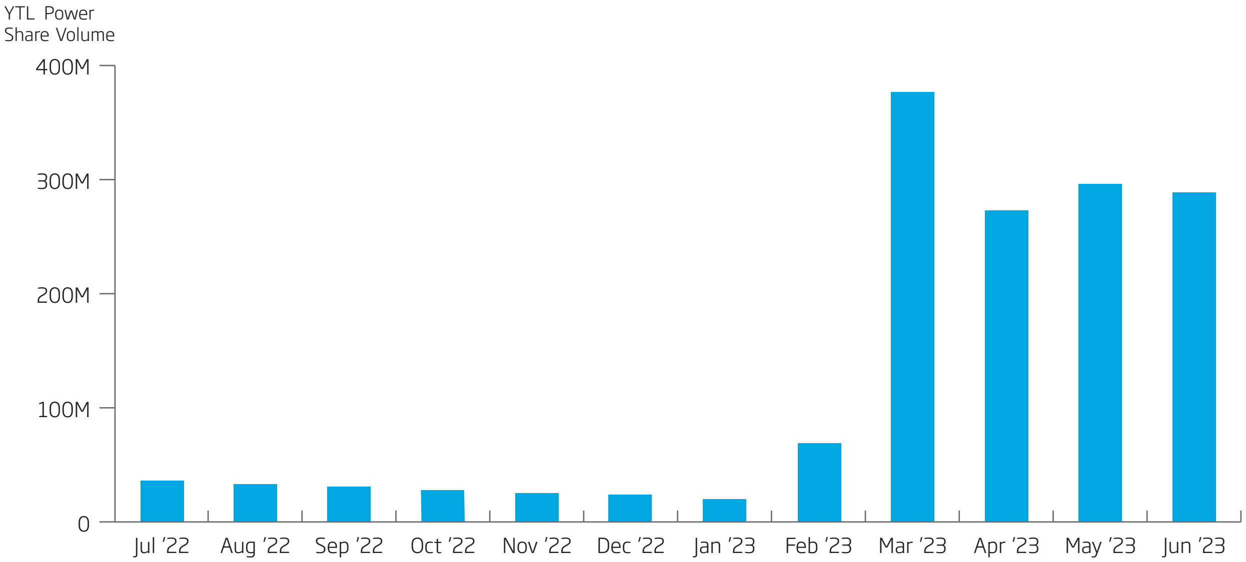
YTL Power has been listed on Bursa Malaysia Securities Berhad ("Bursa Securities") since 23 May 1997. YTL Power is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

The graph below illustrates the performance of YTL Power's share price compared with the FTSE Bursa Malaysia KLCI, the key component benchmark of Bursa Securities, during the financial year ended 30 June 2023.

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



Volume of YTL Power Shares Traded on Bursa Securities



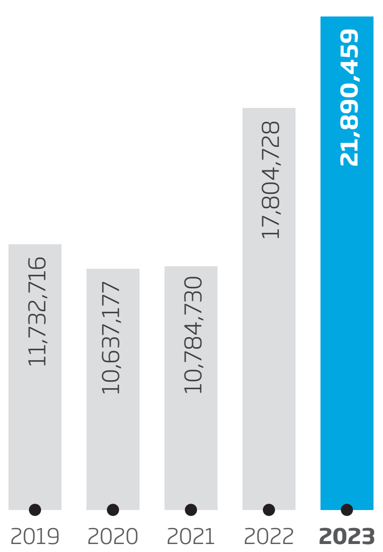
Source: Bloomberg

MANAGEMENT DISCUSSION & ANALYSIS
FINANCIAL REVIEW

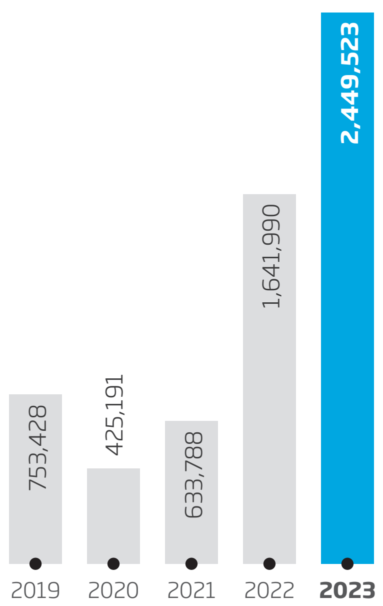
FINANCIAL HIGHLIGHTS

	2023	2022 (Restated)	2021	2020	2019
Revenue (RM'000)	**21,890,459**	17,804,728	10,784,730	10,637,177	11,732,716
Profit Before Taxation (RM'000)	**2,449,523**	1,641,990	633,788	425,191	753,428
Profit/(Loss) After Taxation (RM'000)	**2,032,587**	1,454,687	(103,128)	127,704	613,528
Profit/(Loss) for the Year Attributable to Owners of the Parent (RM'000)	**2,027,991**	1,476,796	(146,524)	67,638	476,751
Total Equity Attributable to Owners of the Parent (RM'000)	**16,771,757**	14,588,892	13,017,642	12,018,989	12,644,382
Basic Earnings/(Loss) per Share (Sen)	**25.03**	18.23	(1.84)	0.88	6.20
Dividend per Share (Sen)	**6.00**	4.50	4.50	–	5.00
Total Assets (RM'000)	**59,132,006**	51,325,501	52,074,335	47,138,135	46,272,978
Net Assets per Share (RM)	**2.07**	1.80	1.61	1.57	1.65

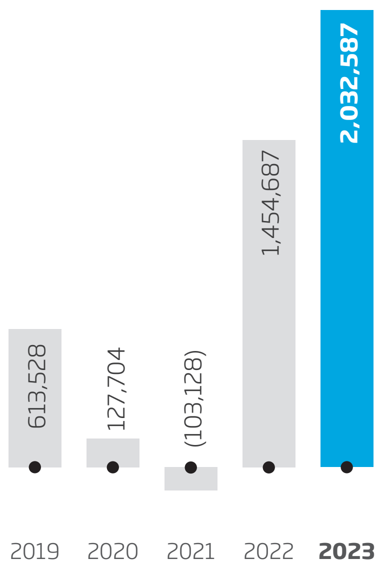
Revenue
(RM'000)



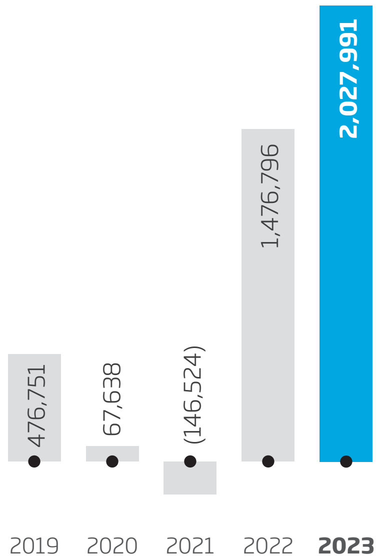
Profit Before Taxation
(RM'000)



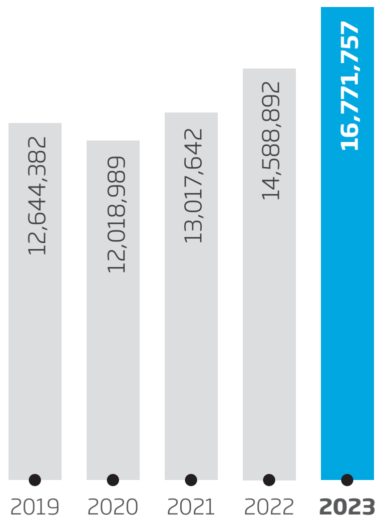
Profit/(Loss) After Taxation
(RM'000)



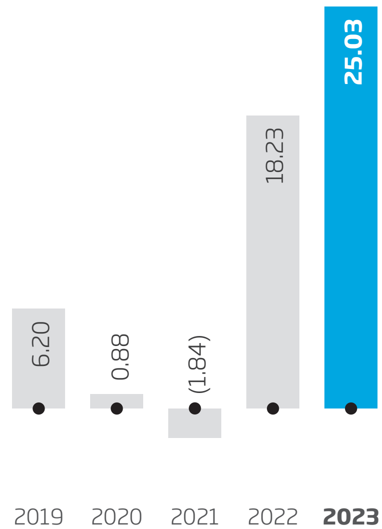
Profit/(Loss) for the Year Attributable to Owners of the Parent
(RM'000)



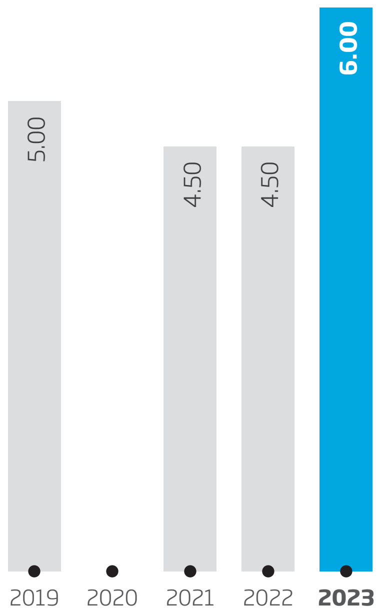
Total Equity Attributable to Owners of the Parent
(RM'000)



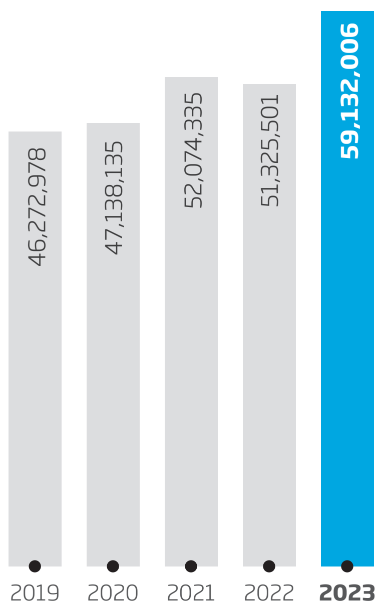
Basic Earnings/(Loss) per Share
(Sen)



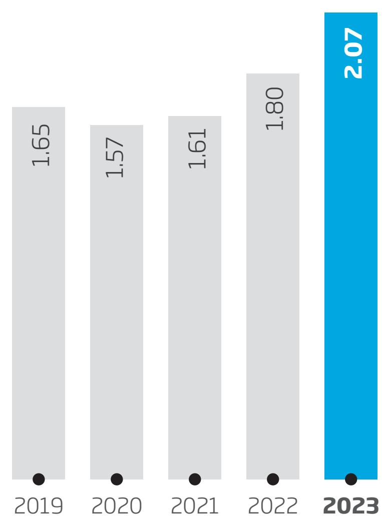
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



MANAGEMENT DISCUSSION & ANALYSIS
FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

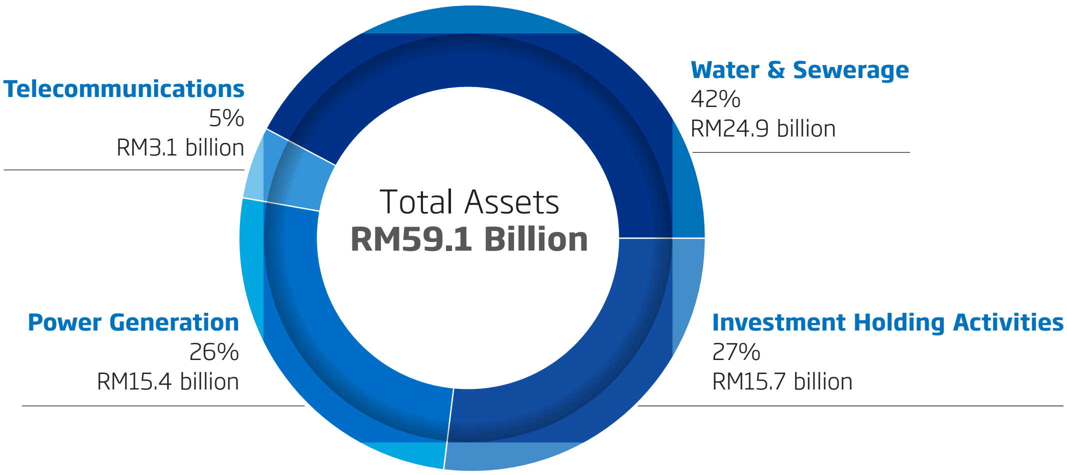
Group Financial Performance

The YTL Power Group recorded higher revenue of RM21,890.5 million for the financial year ended 30 June 2023 compared to RM17,804.7 million for the previous financial year ended 30 June 2022. Profit before taxation increased to RM2,449.5 million for the financial year under review, compared to RM1,642.0 million recorded in the previous financial year. The improved performance was primarily due to the Power Generation segment.

For the financial year ended 30 June 2023, overseas operations accounted for approximately 97.1% of the Group's revenue, compared to 96.1% for the previous financial year ended 30 June 2022, whilst operations in Malaysia contributed 2.9% of the Group's revenue in the current financial year compared to 3.9% for the previous financial year.

Segmental Financial Performance

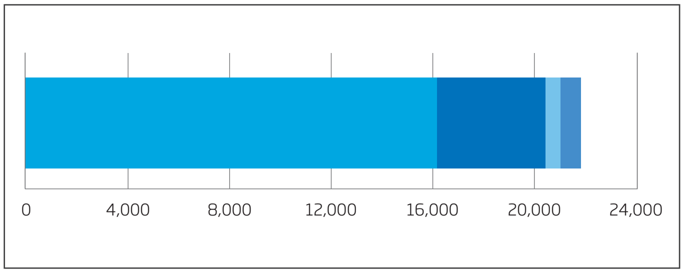
Total Assets by Segment
(as at 30 June 2023)



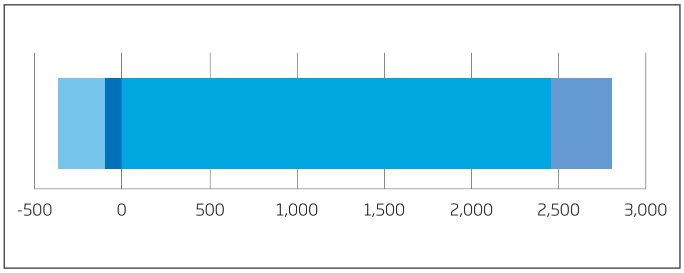
A comparison of the financial performance of each segment of the Group for the financial years ended 30 June 2023 and 30 June 2022 is set out in the following table:

	Segment Revenue		Segment Profit/(Loss) Before Taxation	
	2023 RM million	2022 RM million	2023 RM million	2022 RM million *(Restated)*
Power Generation	**16,217.0**	12,721.0	**2,464.0**	690.3
Water & Sewerage	**4,265.8**	4,109.5	**(94.8)**	378.0
Telecommunications	**600.6**	678.0	**(268.6)**	(196.7)
Investment Holding Activities	**807.1**	296.2	**348.9**	770.4
	21,890.5	17,804.7	**2,449.5**	1,642.0

Breakdown of Revenue by Segment - FY2023 *(RM million)*



Breakdown of Profit/(Loss) Before Taxation by Segment - FY2023 *(RM million)*



Power Generation | Water & Sewerage | Telecommunications | Investment Holding Activities

(a) Power Generation

The Power Generation segment recorded higher revenue of RM16,217.0 million for the financial year ended 30 June 2023 compared to RM12,721.0 million for the previous financial year ended 30 June 2022, and an increase in profit before taxation to RM2,464.0 million this year compared to RM690.3 million last year.

The increase in revenue and profit before taxation was mainly due to higher retail and pool prices, coupled with the strengthening of the Singapore Dollar against the Malaysian Ringgit.

(b) Water & Sewerage

The Water & Sewerage segment recorded higher revenue of RM4,265.8 million for the financial year under review over RM4,109.5 million last year, mainly due to improved trading and new contracts within the non-household retail market.

The loss before taxation of RM94.8 million recorded this year over profit before taxation of RM378.0 million recorded last year was primarily attributable to interest accruals on index-linked bonds, which had a non-cash impact of RM272.1 million (GBP51.4 million). The inflationary pressures on costs will be compensated in future years tariff revenues.

(c) Telecommunications

The Telecommunications segment recorded lower revenue of RM600.6 million for the financial year under review compared to RM678.0 million last year, and loss before taxation widened to RM268.6 million from RM196.7 million last year due to lower project revenue recorded.

(d) Investment Holding Activities

The Investment Holding Activities segment recorded higher revenue of RM807.1 million this year compared to RM296.2 million last year, attributable mainly to higher interest income and recognition of accrued technical service income following the commercial operation of the Jordan oil shale-fired power generation project ("Jordan Project").

Profit before taxation decreased to RM348.9 million in the current financial year as compared to RM770.4 million last year due mainly to the absence of a net gain on the ElectraNet disposal, partially offset by higher foreign exchange gains, higher interest income and accrued technical service income derived from the Jordan Project.

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2022: - Second interim dividend of 2.5 sen per ordinary share paid on 29 November 2022	**202,554**
In respect of the financial year ended 30 June 2023: - First interim dividend of 2.5 sen per ordinary share paid on 28 June 2023	**202,554**

MANAGEMENT DISCUSSION & ANALYSIS
FINANCIAL REVIEW

On 24 August 2023, the Board of Directors of YTL Power ("Board") declared a second interim dividend of 3.5 sen per ordinary share in respect of the financial year ended 30 June 2023 with book closure and payment dates of 10 November 2023 and 29 November 2023, respectively.

The total dividend for the financial year ended 30 June 2023 amounted to 6.0 sen per ordinary share.

The Board did not recommend a final dividend for the financial year ended 30 June 2023.

Dividend Policy

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

CAPITAL MANAGEMENT

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

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

In addition, consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as shown in the Statement of Financial Position) less cash and bank balances. Total capital is calculated as equity, as shown in the Statement of Financial Position, plus net debt.

	Group		Company	
	2023 RM'000	**2022 RM'000** *(Restated)*	**2023 RM'000**	**2022 RM'000**
Total bonds and borrowings	**31,484,301**	27,736,838	**7,438,381**	6,145,354
Less: Cash and bank balances	**(8,999,425)**	(6,880,016)	**(448,498)**	(324,551)
Net debt	**22,484,876**	20,856,822	**6,989,883**	5,820,803
Total equity	**16,400,871**	14,331,427	**14,688,560**	14,815,764
Total capital	**38,885,747**	35,188,249	**21,678,443**	20,636,567
Gearing ratio	**58%**	59%	**32%**	28%

All borrowings of subsidiaries are undertaken on a non-recourse basis to the Company save and except for those borrowings guaranteed by the Company, which amounted to RM1,240,608,700 (2022: RM1,206,981,967). Further details are set out in *Note 27* of the *Financial Statements* in this Annual Report.

Under Practice Note 17 of the Main Market Listing Requirements of Bursa Securities, the Company is required to maintain consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity must not be less than RM40 million. The Company has complied with this requirement with total consolidated equity attributable to owners of the parent as at 30 June 2023 of RM16.8 billion.

POWER GENERATION

SEGMENT OVERVIEW

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

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

The Group is also undertaking a solar power facility with a generation capacity of up to 500 MW in Johor, Malaysia.

OPERATIONAL REVIEW

For the financial year under review, YTL PowerSeraya sold 10,040 gigawatt hours (GWh) of electricity, a 12.6% increase from the previous financial year, while generation market share saw a strong annual increase of 3.9% following the Group's successful completion last year of its acquisition of Tuaspring Power Plant by its wholly-owned subsidiary, Taser Power Pte Ltd. The electricity market has stabilised, which led to lower volatility of prices in the Singapore wholesale electricity market except for hotter months, which saw a surge in electricity supply commitments.

A keen focus on maintaining plant reliability saw the timely completion of major and minor maintenance inspection activities on combined cycle and co-generation power plant units. Several key measures were implemented progressively over the past years and have improved plant reliability, such as Failure Mode Effect Analysis (FMEA) and Master Trip Logic Reviews to prevent forced outages, Root Cause Analysis (RCA) to prevent recurrence of outages and an Operational 'near-miss' Incident Framework for early detection and rectification of plant abnormalities.

Upon successful diversion of the house load from the Tuas South Desalination 6.6kV switchboard for two Circulating Water Pumps to the Group's own electrical switchboard, YTL PowerSeraya managed to achieve significant monthly cost savings and optimised electricity distribution.

Several digitalisation initiatives have also been implemented, such as plant performance, training and safety tracking dashboards and Operation Digitalisation through the use of Self Serving applications.

Continued emphasis on the importance of maintaining high standards in quality, environmental, energy, health and safety as well as cyber security management systems saw re-certifications of ISO9001, ISO14001, ISO45001, ISO27001 and BizSafe Star successfully completed, as well as audit compliance with the ISO50001 standard under Singapore's National Environmental Agency's Energy Management System requirement during the year. In addition, the Group successfully obtained the SS 651 standard, which is a standard developed specifically for the chemical industry in Singapore on occupational safety and health management systems.

Support of the company's ongoing digital transformation agenda focused on three key areas for the year under review, namely data and analytics, application modernisation and cybersecurity. As part of its commitment to continuous advancement, YTL PowerSeraya's embrace of application modernisation included the completion of several upgrading, cloud migration and re-platforming projects over the year.

MANAGEMENT DISCUSSION & ANALYSIS
SEGMENTAL REVIEW

These initiatives have led to improvements in system performance and efficiency, increased scalability, an enhanced overall security posture and ensured compliance for the company. Further information on the Group's cybersecurity and data protection work can be found in the *Environmental, Social & Governance Report 2023* in this Annual Report.

Retail

YTL PowerSeraya's retail brand, Geneco, held a market share of 13.5% in the electricity retail market (based on retail volume over total system demand), with a sales volume of 7,408 GWh for the financial year under review. The retail market comprises customers from the residential, commercial and industrial sectors.

In April 2023, Geneco expanded availability of its innovative green Power Eco Add-on 2.0 to all of its residential customers, at any point of their contracts. As at 30 June 2023, Geneco had 3,408 customers who had opted for Power Eco Add-on. This 2.0 initiative is in line with Geneco's commitment to supporting The Singapore Green Plan 2030 and building a more sustainable future for the nation by encouraging its customers to do their part for the environment.

As part of its digitalisation journey, Geneco launched Small & Medium Business (SMB) Online in May 2023 to empower SMB customers with single premises and a load size of less than 20 megawatt hours (MWh) per month, to sign up online. This self-service portal optimises operational requirements and provides automation to its business processes. In less than two months, as at 30 June 2023, 123 SMB customers had signed up via this new portal.

Fuel Management

YTL PowerSeraya's fuel management arm demonstrated resilience and achieved a commendable performance through the strategic approach of successfully securing higher tank leasing rates and optimising infrastructure assets. This is especially notable given the challenges in the oil industry, ranging from geopolitical conflicts like the Russia-Ukraine situation to global energy security concerns, coupled with slower-than-expected global economic recovery and inflationary pressures leading to higher interest rates.

The division efficiently managed a substantial volume of 8.24 million metric tonnes of fuel oil and diesel, a notable increase from the previous year's 7.48 million metric tonnes. Moreover, the surge in berthing for bunkering and cargo vessels saw 837 vessels at the terminal, a significant increase from 644 vessels in the previous year, with an average berth utilisation rate of 41.85%, demonstrating the division's commitment to optimal resource utilisation.

Strategic efforts in optimising tank leasing and fuel management activities further underpinned the division's success and an unwavering focus on enhancing these core aspects will position the company for continued growth in the fuel management sector.

WATER & SEWERAGE

SEGMENT OVERVIEW

In the UK, YTL Power owns a 100% equity interest in Wessex Water, a regional water and sewerage business serving 2.9 million customers across a geographic area of approximately 10,000 square kilometres in the south west of England, including Dorset, Somerset, Bristol, most of Wiltshire and parts of Gloucestershire and Hampshire.

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

OPERATIONAL REVIEW

Wessex Water faced a challenging year, with extremely high energy prices and inflation in the UK. Nevertheless, its strong financial foundations have continued to underpin the provision and delivery of leading service levels for Wessex Water's customers and communities.

As the provider of an essential service, Wessex Water prioritised the mobilisation of support for its customers and communities who needed it most. Customers continued to be offered extensive financial and debt support through a range of schemes and low-rate tariffs under Wessex Water's tailored assistance programme (tap). This was increased during the year under review as customer incomes were increasingly squeezed by inflation and the high cost of living. The division aims to triple the number of customers on its financial support schemes over the next few years, making help even easier and quicker to access.

Despite the challenges, complaints from customers about the taste, odour or appearance of their water fell for the fourth consecutive year. Wessex Water met its target on water quality at home and in the workplace, where activity saw a return to pre-Covid levels, and achieved its best-ever performance on interruptions to supply, which moved further down to an average of 4 minutes 10 seconds per property, from 4 minutes 12 seconds in 2021.

While water discharge compliance remained very high at 99.4%, this was below the 100% target so process improvements have been implemented to restore and maintain compliance at specific sites.

Following public concern in the UK over storm overflows, Wessex Water is taking immediate action to steadily eliminate or improve on the 1,300 overflows on its 35,089 kilometres of sewers. Investment has been increased to GPB3.0 million per month – at no additional cost to customers – to make a 25% reduction in the operation of storm overflows by 2025, from the 2020 level. After 2025, Wessex Water is proposing a threefold increase in investment to GBP9.0 million per month, with the aim of fully treating or eliminating any discharge from storm overflows by 2050.

The division remains on track for its three-year average leakage target, despite 2022 being a difficult year due to both the extreme heat-drought in the summer and a significant freeze-thaw event in the winter.

Wessex Water's trajectory of diminishing annual gross greenhouse gas emissions continued this year, with its lowest annual operational carbon footprint since reporting began in 1997. Further information can be found in the *Environmental, Social & Governance Report 2023* in this Annual Report.

TELECOMMUNICATIONS

SEGMENT OVERVIEW

YTL Power owns a 60% stake in YTL Comms, which provides high-speed 4G and 5G services in Malaysia.

OPERATIONAL REVIEW

Reflecting on the 2023 financial year, YTL Comms continued to invest in its network and technology, expand its reach and introduce new products and services. YES 5G focused on building its brand awareness through community-building campaigns and collaborations with well-known organisations. As a result of these efforts, YES has performed well and has been awarded various prestigious awards.

YES was awarded Malaysia's fastest mobile network speed in Q1-Q2 2023 by Ookla®, the global leader in fixed broadband and mobile network testing applications, data and analysis. Assessed and determined by Ookla Speedtest Intelligence® data analysis, YES landed at the No.1 spot for two consecutive years (YES was the winner for Q3-Q4 2022 as well) with top download speeds of 562.81 Mbps and top upload speeds of 70.59 Mbps, surpassing the competition.

On 22 December 2022, YES swept four awards from the MCMC Star Rating Awards 2021 – Best in Quality of Service, Best in Consumer Satisfaction, Best in Corporate Social Responsibility and, significantly, Best Mobile Network Operator with Less Than Five Million Subscribers.

Throughout the pandemic, the YES network held up well under heavy usage and delivered essential quality service to the customers. Additionally, working together with YTL Foundation and FrogAsia, YES provided 1.5 million free 4G SIM cards and 1 million free 4G smartphones that in aggregate consumed over 200 million GB of 4G data through YTL Foundation's Learn from Home Initiative. Not only is this program unique and impactful, it also shows how well the modern, all-IP YES network has performed when many other legacy networks struggle under extraordinary usage stress.

YES also managed to lead the way and became the first telco in Malaysia to launch 5G – a full nine months ahead of all other telcos in Malaysia. Not only does YES now have the highest quality 5G services, YES provides the most cost competitive 5G postpaid and 5G prepaid plans in Malaysia. For example, the YES Power 35 postpaid plan offers 100GB of 5G and 4G data with no speed cap for only RM35/month, while its YES Prepaid FT5G Unlimited plan offers Unlimited 5G and 4G data with 30 days of validity for only RM30/month. These plans are some of the lowest price 5G tariffs globally. True to its roots, YES has again demonstrated there is no compromise between pricing and performance.

Beyond providing world-class service at most affordable pricing, YTL Comms worked ceaselessly to drive awareness.

- YES contributed towards Ramadan by enabling 5G connectivity throughout an entire bazaar in Taman Tun Dr Ismail, making it the first-ever 5G Ramadan Bazaar. Through the Ramadan bazaar, YES 5G made 5G accessible for both vendors and customers alike to experience seamless connectivity, fast internet speeds, and ultra-low latency through YES 5G.
- For a period of 6 weeks, YES was the title sponsor for a K-pop "*The Dream Show 2 World Tour*".
- In collaboration with Brand New Waves Running Club and WE ARE KIX (a film experience company), YES organised a series of four immersive community runs, along with a variety of fun activities at each event called 'The Wave'. More than just a fun run, The Wave showcased the power of YES 5G coverage in Malaysia. In line with the telco's mission to provide accessible and affordable Internet connectivity to all Malaysians, The Wave signifies the arrival of YES 5G coverage throughout the country.
- On 22 July 2023, YES 5G partnered with Nothing, an innovative smartphone brand to launch the Nothing Phone (2) with YES 5G postpaid plans. The exclusive partnership offered the Nothing Phone (2) to consumers at no cost with a subscription to YES 5G's Infinite+ Ultra Plan.
- YES supported the Government's call for cost-effective 5G phone packages to drive adoption into the lower economic tiers of society. Through the Ramah Programme, YES led the industry with the lowest-cost package – a totally free 5G smartphone with 100GB of uncapped 5G data package for merely RM35/month.

This is but a short list of activities to illustrate the energy and commitment demonstrated by YES to deliver on the mission of "5G for All". YES is determined to use its modern network and innovation to leapfrog the entire country into a digital nation.

INVESTMENT HOLDING ACTIVITIES

SEGMENT OVERVIEW

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

OPERATIONAL REVIEW

Data Centers

The Group has embarked on the development of the YTL Green Data Center Park in Kulai, Johor. This will be the first data center campus in Malaysia to be co-powered by on-site renewable solar energy. To date, the Group has partnered with Sea Limited as a co-locator to anchor this world-class green facility.

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

Progress is well underway on Phase 1 of the YTL Green Data Center Park, scheduled for completion in the first quarter of the 2024 calendar year.

Digital Banking

In April 2022, the Group in consortium with Sea Limited was awarded a digital banking licence by Bank Negara Malaysia and work is well underway towards commencement of operations.

This new venture, which will leverage multiple synergies between the Group and Sea Limited, will enable the Group to further contribute to the growth of Malaysia's digital transformation and broaden access of its citizens to financial services, particularly the underserved and underbanked, as well as micro, small and medium enterprises (MSMEs).

Brabazon

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

Awards won this year include Residential Project of the Year (36 Homes and Over) – Michelmores Property Awards 2023; Residential Developer – Insider South West Property Awards 2023; and Developer of the Year – Bristol Property Awards 2022.

Masterplan Densification

Planning approval from South Gloucestershire Council is currently pending for the proposed update to the development's Masterplan. The approval will allow the new Masterplan to deliver up to 6,500 residential homes, student accommodation units, 4 million sqft of commercial floor area and approximately 1 million sqft of educational and community facilities.

MANAGEMENT DISCUSSION & ANALYSIS
SEGMENTAL REVIEW

Residential

YTL Developments is currently delivering the first phase at Brabazon, known as The Hangar District, comprising 302 residential units apportioned to 127 landed and 175 apartment units. Half of these homes are now completed and occupied, with the remainder set to complete in stages up to the third quarter of 2024. All open-market homes are sold in staggered releases, and to date, all have been sold off-plan with no voids accrued.

In July 2023, YTL Developments received planning permission for the next phase of 339 new homes at Brabazon. The designs for the second phase retain many of the distinctive features that have made The Hangar District such a success. Construction for this phase has begun and the first homes are scheduled for completion in late 2024.

The Retirement Village is orientated towards active elderly retirees who require minimum care and desire to be part of an urban community with walkable access to parks and the town center. The target market includes downsizers and parents who want proximity to family and convenience but, at the same time, independence. The approval for 229 units is expected by the fourth quarter of the 2023 calendar year.

Community

In November 2022, YTL Developments received planning approval to create a 15-acre public park at the center of Brabazon. Part of the Masterplan re-design, Brabazon Park consolidates a number of dispersed public open spaces into one more sustainable leisure destination. Once complete, Brabazon Park will be the largest new urban park in the southwest for more than 50 years, and will include a 3-acre lake that forms part of the water attenuation strategy.

In April this year, YTL Developments also received approval to transform a Grade II listed aircraft hangar into a new local, social community hub, designed to bring people together and promote active and sustainable living at Brabazon.

Spread over two floors, the hub is programmed with a café, library and wellness center as the ground floor anchors. On the upper level, a large hall will be a social space for multi-faith groups and venue for public meetings and family events. A range of activity rooms will offer space for after-school clubs and community groups, while the wellness center will offer cardio machines, weight-training facilities and group sessions.

Infrastructure

Discussions are ongoing on the new rail service will connect the train station at Brabazon to Bristol Temple Meads in less than 15 minutes. Future expansion aspirations include a direct connection to Bristol Parkway train station, enabling direct onward connections to London Paddington in 1 hour 12 mins.

The station design has been upgraded to cater for YTL Arena Bristol, allowing up to 2,000 people on event nights to travel to the arena by train. The square has also been enlarged to allow for safe crowd management during event days and to minimise queue times.

Commercial

YTL Arena Limited, a wholly-owned subsidiary of YTL Property UK, is progressing well with the development of YTL Arena Bristol, situated at the legendary Brabazon Hangars, the birthplace of the Concorde. The Arena will feature the region's largest column-less exhibition and convention halls with 6,000 sqm of floor area, height clearance of 21 metres and banqueting capacity for 4,000, together with a flexible hub for entertainment, film, television and music rehearsals.

YTL Arena Bristol will be at the heart of a vibrant new community at Brabazon. The project is in the final stages of design. Work has begun on key pieces of infrastructure required including new road connections, establishing new power supplies and site preparation works.

In the meantime, the Brabazon Hangars have already been host to a number of film and TV productions and music rehearsals. Last year, Queen + Adam Lambert made use of the vast space to rehearse for their Rhapsody Tour. ITV's popular period drama 'Sanditon' filmed series two and three at the Hangars, and both Amazon Prime and Netflix have filmed episodes onsite. Formula 1 team Alpine most recently used the space for the launch event of their new electric car, with both team drivers on-site for the test drive.

APCO

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

Following pandemic-related delays to the project APCO successfully achieved COD for Unit 1 and Unit 2 in October 2022 and May 2023, respectively.

The 554 MW power plant is the first in Jordan to utilise the country's indigenous oil shale resources which will account for approximately 15% of its installed power generation capacity. This will reduce the Kingdom's import of oil products for power generation, and its development is a key milestone in the Jordanian government's goal of furthering its energy independence.

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

Jawa Power

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

MANAGEMENT DISCUSSION & ANALYSIS
RISK MANAGEMENT

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

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk (comprising foreign currency exchange risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

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

OPERATIONAL RISK MANAGEMENT

Concessions & Key Contracts

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

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

Business Risk

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

The Group addresses these matters by maintaining sound financial risk management policies as set out above, and high standards of preventive maintenance and cost efficiency coupled with technical and operating efficiency of its assets.

Dependence on Key Management

The continued success of YTL Power is, to a significant extent, dependent on the abilities and continued efforts of the Board and senior management of YTL Power. Key personnel a with strong background in the diversified areas of YTL Power's principal activities are valuable assets to YTL Power. The loss of any key member of the Board or senior management personnel could affect YTL Power's ability to compete in the sectors in which it operates.

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

Political, Economic & Regulatory Risks

Like all other businesses, adverse developments in political, economic and regulatory conditions in Malaysia, Singapore, the UK, Indonesia, Jordan and other overseas markets in which the Group from time to time has operations or investments could materially and adversely affect the financial and business prospects of the Group and the markets for its products and/or services.

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

Environmental & Climate-Related Risks

The YTL Power Group's businesses, and in particular its utilities, are likely to continue to be subject to environmental legislation and regulations, compliance with which could result in increased costs, or losses of or reductions in revenue, to the Group. The terms on which concessions for power and other utilities projects are granted by relevant regulatory authorities may include, on occasion, requirements to contribute to environmental and/or other public works.

The YTL Power Group's businesses are exposed to environmental and climate-related risks including transition risks, which may arise from legal, regulatory, policy, technological and market changes to address climate mitigation and adaptation, and physical risks resulting from climate change which may arise from extreme weather events or longer-term shifts in weather patterns, causing adverse impacts including operational disruptions and physical damage to assets.

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

Further information on the Group's actions in managing these matters can be found in the *Environmental, Social & Governance Report 2023* in this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS
OUTLOOK

Global economic growth is projected to decelerate in 2023, reflecting the challenging and uncertain economic environment. The outlook for global growth is tilted to the downside, with risks including increased geopolitical fragmentation, higher-than-expected inflation and a sharp tightening in global financial market conditions, including further stress in the banking sector *(source: Bank Negara Malaysia updates).*

Looking ahead, YTL PowerSeraya will continue to focus on customer service, operational efficiency and exploring diversification beyond the core business into integrated multi-utilities supply. Electricity is an essential service and demand in Singapore is expected to remain stable.

Wessex Water will continue to work towards delivering the investment commitments agreed with Ofwat, as it progresses with development of the business plan for the next price review for the forthcoming 2025-2030 period. Outside of the regulated business, exploration is also ongoing of low-risk opportunities for organic growth within Wessex Water's wider UK operations.

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

YTL Power will continue to advance its sustainability transition, particularly with the development of its 500 MW solar farm project, YTL Green Data Center Park and partnerships in clean energy solutions and green technologies.

CORPORATE EVENTS

2 NOVEMBER 2022

STRIDES MOBILITY & YTL POWERSERAYA JOINT VENTURE TO BUILD PUBLIC EV CHARGING POINTS IN SINGAPORE

YTL PowerSeraya Pte Limited, a wholly-owned subsidiary of YTL Power International Berhad, and Strides Mobility, a business arm of SMRT Corporation Limited, formed a joint venture under the brand name of ChargEco which, in consortium with Airetec and Yes Energy, won a tender from Singapore's Land Transport Authority to build charging points at Housing & Development Board carparks in the Central and East regions of Singapore.

From left to right: Dato' Yeoh Seok Hong, Managing Director of YTL Power International Berhad; Mr Yeoh Keong Hann, Director of YTL PowerSeraya Pte Limited; Mr Tan Kian Heong, President of Strides Mobility; and Mr Seah Moon Ming, Chairman of SMRT Corporation, at the signing of the joint venture agreement at the LTA-UITP Singapore International Transport Congress & Exhibition

21 DECEMBER 2022

YTL COMMUNICATIONS WINS 4 AWARDS AT MCMC STAR RATING AWARDS

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, won 4 awards at the Malaysian Communications and Multimedia Commission (MCMC) Star Rating Awards 2021 for its YES network. The awards were 'Best Quality of Service', 'Best in Consumer Satisfaction', 'Best in Corporate Social Responsibility', and 'Best Mobile Network Operator with Less Than 5 Million Subscribers'.

From left to right: Datuk Mohd Ali Hanafiah Mohd Yunus, Chief Operating Officer, MCMC; Ms Teo Nie Ching, Deputy Minister of Communications and Digital; and Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd

30 JANUARY 2023

AGREEMENT FOR IMPORT OF 100 MW OF ELECTRICITY INTO SINGAPORE

YTL PowerSeraya Pte Limited, a wholly-owned subsidiary of YTL Power International Berhad, and TNB Power Generation Sdn Bhd, a wholly-owned subsidiary of Tenaga Nasional Berhad, jointly announced an agreement to export and import 100 MW of electricity from Malaysia to Singapore via the newly upgraded interconnector.

From left to right: Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Malaysia's Minister of International Trade and Industry; Dato' Nor Azman Bin Mufti, Managing Director of TNB Power Generation Sdn Bhd; Mr John Ng, Chief Executive Officer of YTL PowerSeraya Pte Limited; and Dr. Tan See Leng, Singapore's Minister for Manpower and Second Minister for Trade & Industry

CORPORATE EVENTS

28 FEBRUARY 2023

YES WINS OOKLA® AWARDS FOR FASTEST MOBILE NETWORK SPEED IN MALAYSIA

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, was awarded Malaysia's fastest mobile network speed in Q3-Q4 2022 by Ookla, the global leader in fixed broadband and mobile network testing applications, data and analysis. YES won the award again in Q1-Q2 2023.

From left to right: Mr Jacob Yeoh Keong Yeow, Deputy Chief Executive Officer, YTL Communications Sdn Bhd; Mr Wing K Lee, Chief Executive Officer, YTL Communications Sdn Bhd; Mr Luke Deryckx, Chief Technology Officer, Ookla; and Mr Kuljeet Randhawa, Senior Vice President, Global Head of Sales & Enterprise Services, Ookla

31 MAY 2023

STAKEHOLDERS GATHERING TO MARK APCO'S COMMENCEMENT OF COMMERCIAL OPERATIONS

Commercial operations commenced this year at the 554 MW oil shale-fired mine-mouth power generation project owned by Attarat Power Company PSC (APCO) in Jordan. APCO is indirectly owned by YTL Power International Berhad (45%), Guangdong Energy Group of China (45%) and Eesti Energia AS of Estonia (10%).

Seated from left to right: Mr Yan Shaojie, CTO, APCO; H.E. Dr Bassam Kakish, Advisor, APCO; Mr. Mohammad Maaitah, Director, APCO; Mr Zou Runmo, Chief Representative, Sinosure; Mr Zhang Wei, Deputy GM, Industrial & Commercial Bank of China (ICBC); Mr Huang Guoqing, GM, Guangdong Energy Group; Dato' Yeoh Seok Hong, Managing Director, YTL Power International Berhad; Mr Andrus Dureiko, CEO, Eesti Energia; Mr Zhao Lianmeng, Head Corporate Banking, Bank of China; Mr Joseph Tan Choong Min, Director, Projects, YTL Power International Berhad; Mr Yeoh Keong Yuan, Executive Director, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd; Mr Jason Pok Hooi Long, CEO, APCO; and Mr Law Kok Choon, CTO, APCO

Standing from left to right: Mr Kiran Kumar, CTO, Attarat Operation & Maintenance Company BV; Mr Frank Kenny, Project Manager, Mott Macdonald; Ms Qin Yumeng, Corporate Banking, Bank of China; Mr Yu Hong, Sinosure; Mr Kenneth McLaren, CMO, Attarat Mining Company BV; Mr Dominic Hua Shi Hao, AVP Commercial, YTL Power International Berhad; Mr Dominic Freely, Senior Advisor, Evercore; Mr Riho Kruuv, Head Strategic Projects, Eesti Energia; Ms Liu Yuchen, Corporate Banking, Bank of China; Mr Ding Feng, Head of Corporate Banking, ICBC; Ms Li Jing, Deputy Head Risk, ICBC; Mr Bai Xuehan, President, Guangdong Power Engineering Corporation (GPEC); and Mr Zhang Weifgeng, Project Manager, GPEC

YTL Power
YTL GROUP

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT 2023

ABOUT THIS REPORT

REPORTING SCOPE & BOUNDARY

This report provides an overview of the environmental, social and governance ("ESG") performance of YTL Power International Berhad ("YTL Power") and our subsidiaries ("YTL Power Group" or "Group"), in line with our financial reporting. The report covers the financial year ("FY") ended 30 June 2023 ("FY2023"), unless otherwise specified, and where there is readily available data.

There was one change to the Group's reporting segments during the financial year under review with the Multi Utilities Business (Merchant) segment now reported under the Power Generation segment.

The environmental data in this report covers YTL Power and the operating subsidiaries which contributed to approximately 96% of our Group's consolidated revenue for the financial year under review, where there is readily available data in place. For FY2023, these subsidiaries were:

Power Generation	Water & Sewerage	Telecommunications
YTL PowerSeraya Pte Limited and its subsidiaries ("YTL PowerSeraya")	Wessex Water Services Limited ("Wessex Water")*	YTL Communications Sdn Bhd and its subsidiaries ("YTL Comms")

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

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

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

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

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

REPORTING FRAMEWORK, REFERENCE & GUIDELINES

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

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

ADDITIONAL INFORMATION

Restatements

There have been no material restatements this year of previously reported ESG-related information. Details of restatements of financial information are set out in *Note 39* of the *Financial Statements*.

Data Validation & Assurance

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

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

This report was prepared by YTL Power's ESG Committee and approved by the Board of Directors of YTL Power ("Board") on 27 September 2023.

Further Information

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

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

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

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

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

Forward-Looking Statements

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

Contact

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

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

MANAGING SUSTAINABILITY

YTL Power has a long-standing commitment to building and operating strong businesses that are viable and sustainable on a long-term basis, to create lasting value for all our stakeholders. This commitment is central to our core purpose to provide utilities that are essential for daily life and the growth and development of resilient communities.

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

Our Framework

Our Purpose: TO PROVIDE UTILITIES THAT ARE ESSENTIAL FOR DAILY LIFE AND THE GROWTH AND DEVELOPMENT OF RESILIENT COMMUNITIES

Our Ethos & Values *Building the Right Thing*: HONESTY | HARD WORK | MORAL RESPONSIBILITY | TOGETHERNESS | VITALITY

Pillars of our commitment	FINANCIAL RESILIENCE	ENVIRONMENTAL STEWARDSHIP	SOCIETAL ENRICHMENT			RESPONSIBLE GOVERNANCE
			CUSTOMERS	PEOPLE	COMMUNITIES	
Our Mission	Building & operating strong, sustainable multi-utility businesses & developing advanced energy solutions that create lasting value for all our stakeholders	Protecting & improving the environment to build a better future	Providing reliable, affordable services for all customers and communities	Providing our people with the opportunity to develop their potential & ensuring their well-being	Investing for the long term in our communities for the benefit all our stakeholders	Being a trusted, reliable and financially strong corporate citizen

Aligned with **UN SDGs**

MANAGING SUSTAINABILITY

OUR COMMITMENT

The YTL Power Group provides utility services that are essential for daily life. In the operation of our businesses, we seek to support and enhance the growth, development and resilience of the communities where we operate across the globe.

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

We place a strong emphasis on managing our businesses responsibly and with integrity. Our commitment to sustainable practices is a fundamental component of our strategies to achieve our growth objectives and balance business opportunities and risks to create lasting value for all stakeholders.

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

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

KEY HIGHLIGHTS FOR FY2023

YTL Power Group's progress on climate change & maiden green financing

- 13% decrease in GHG intensity (based on Scope 1 & Scope 2)
- RM1.1 billion Islamic term financing with commitment to secure Gold LEED certification for Phase 1, YTL Green Data Center Park
- £300 million sustainability bond issued under Wessex Group's new Sustainability Financing Framework

YTL PowerSeraya

- ChargEco, JV with Strides Mobility (wholly-owned by SMRT) to deploy 1,200 EV chargers in Singapore
- Plaque of Commendation (Gold) Award in NTUC May Day Awards 2023
- Workplace Safety and Health Innovation Award 2023 by the Workplace Safety and Health Council
- 3-yr collective agreement with UPAGE renewed
- Singapore's No. 1 residential electricity retailer

Wessex Water

- Customer Service Excellence award & Service Mark with distinction (1 of only 20 UK companies)
- Best performer on compliance with Drinking Water Inspectorate standards for drinking water
- President's Award from The Royal Society for the Prevention of Accidents (11 Golds)

YTL Developments

- Residential Project of the Year (36 Homes & Over), Michelmores Property Awards 2023
- Residential Developer, Insider South West Property Awards 2023
- Developer of the Year, Bristol Property Awards 2022

YTL Comms

- 4 MCMC Star Rating Awards 2021 (December 2022) – Best Quality of Service, Best in Customer Satisfaction, Best in Corporate Social Responsibility, Best Mobile Network with Less Than 5 Million Subscribers
- Ookla® Awards for Fastest Mobile Network Speed in Malaysia – Q3-Q4 2022 & Q1-Q2 2023

MANAGING SUSTAINABILITY

ABOUT OUR ORGANISATION

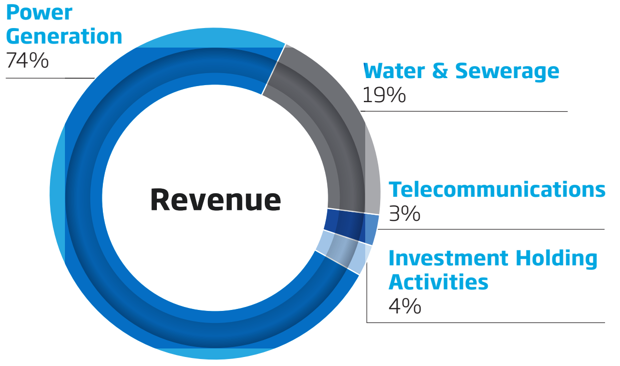
YTL Power is listed on the Main Market of Bursa Securities under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector. We are a public company incorporated in Malaysia, with our corporate headquarters situated in Kuala Lumpur. As at 30 June 2023, our Group had about 4,800 employees.

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

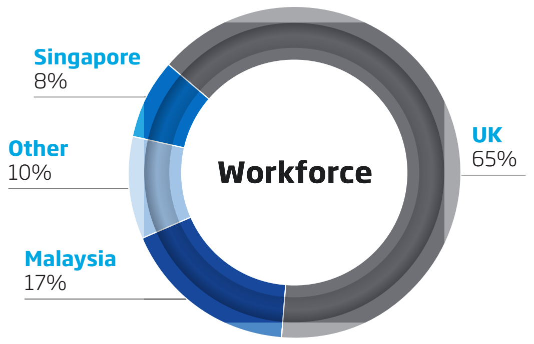
Our Group's reportable segments and geographic presence are as follows:

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

FY2023 Contribution to YTL Power Group - Revenue



FY2023 Contribution to YTL Power Group - Workforce



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

	2023 RM million	2022 RM million *(Restated)*
Revenue	**21,890.5**	17,804.7
Profit before taxation	**2,449.5**	1,642.0
Payments to shareholders – dividends	**405.1**	364.6
Payments to employees – wages & benefits	**768.0**	650.3
Payments to lenders – interest	**1,084.2**	880.8
Payments to governments – income tax	**70.6**	73.1
Retained earnings	**9,649.1**	8,285.5

GOVERNANCE STRUCTURE

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

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

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

** YTL Group policies*

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

The Board sets the YTL Power Group's ESG strategies, priorities and targets, oversees the progress of ESG strategies and performance and reviews and addresses the YTL Power Group's material ESG risks and opportunities.

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

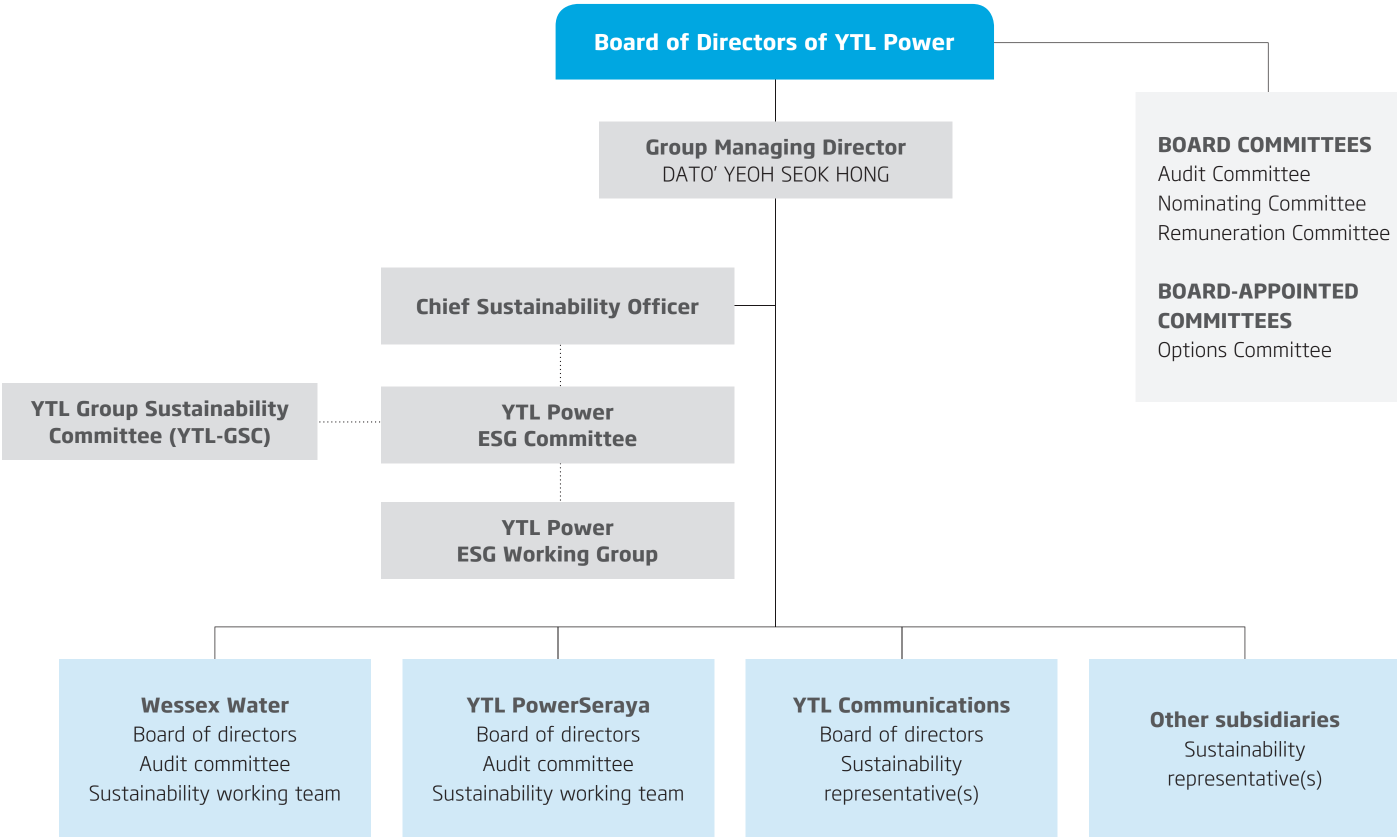
The ESG Committee supports the Board to set the high-level ESG direction and strategic focus, oversees the implementation of ESG strategies and related matters and reviews, and monitors and provides the Group's ESG strategic plans and initiatives across our value chain. The ESG Committee reports to the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

This year, the ESG Committee also established a working level group to support the Committee in its work. The ESG Working Group is chaired by the YTL Power Group's Chief Sustainability Officer and comprises representatives from the Group's operating subsidiaries with key responsibility for sustainability and governance matters.

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

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

MANAGING SUSTAINABILITY



MATERIALITY

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

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

Stakeholder Engagement

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

Groups	Modes of Engagement	Frequency	Matters Addressed with Stakeholders
Employees	• Intranet, newsletters, broadcasts, internal enterprise platforms • Training, town halls, Leadership Conference • Performance appraisals • Recreational & team-building sessions	Annual/ Quarterly/ Ongoing	• Corporate priorities & vision, core values, ethical conduct • Business strategy, direction & performance • Rewards, recognition, leadership, talent development • Human rights, diversity, inclusion • Well-being & benefits • Workplace health & safety
Customers	• Websites & social media • Marketing/promotional programmes & events • Feedback channels (email, phone calls, hotlines, surveys) • Product launches & roadshows • Community events	Ongoing	• Product & service quality • Competitive pricing • Customer experience • Data safety & security
Shareholders, Investors, Banks & Lenders	• Annual & extraordinary general meetings • Annual reports, ESG reports, quarterly financial reports • Stock exchange announcements, website updates • Investor relations events, analyst briefings • Regular meetings, networking functions	Annual/ Quarterly/ Ongoing	• Financial performance • Economic conditions & trends • Compliance & governance • Company growth & value chain • Business strategy, direction & outlook • ESG performance
Suppliers, Business Partners & Industry Groups	• Regular meetings, site visits, networking functions • Product launches, roadshows • Supplier briefings, training, workshops • Supplier assessment system	Ongoing	• Compliance with industry best practices, legislation, rules & regulations • Health & safety • Fair treatment of suppliers & business partners • Ethical & responsible conduct • Opportunities for business collaboration
Governments & Regulators	• Official meetings, visits • Industry dialogues, events, seminars • Industry consultation	Ongoing	• Compliance with legislation, rules & regulations • Development & enhancement of resilience of capital markets • Opportunities for business investment • Community investment
Media	• Press releases • Official launches, corporate events • Websites, social media	Ongoing	• Economic performance, company growth & value chain • Business strategy, direction & performance • New projects & future prospects
Communities	• Community outreach programmes • Charitable contributions • Websites, social media • Local initiatives	Ongoing	• Minimising environmental & social impacts • Community investments including donations, fundraising & volunteering programmes • Project-based initiatives

MANAGING SUSTAINABILITY

Materiality Assessment Process

1 Identification of ESG matters

Identification, analysis and review of ESG matters relevant to the business context; benchmarking against standards, evaluations, policies, regulations and best practices in the respective industries

2 Analysis & prioritisation of findings

Conduct of materiality assessments in focus groups with participation from senior management and heads of business units

3 Validation & review

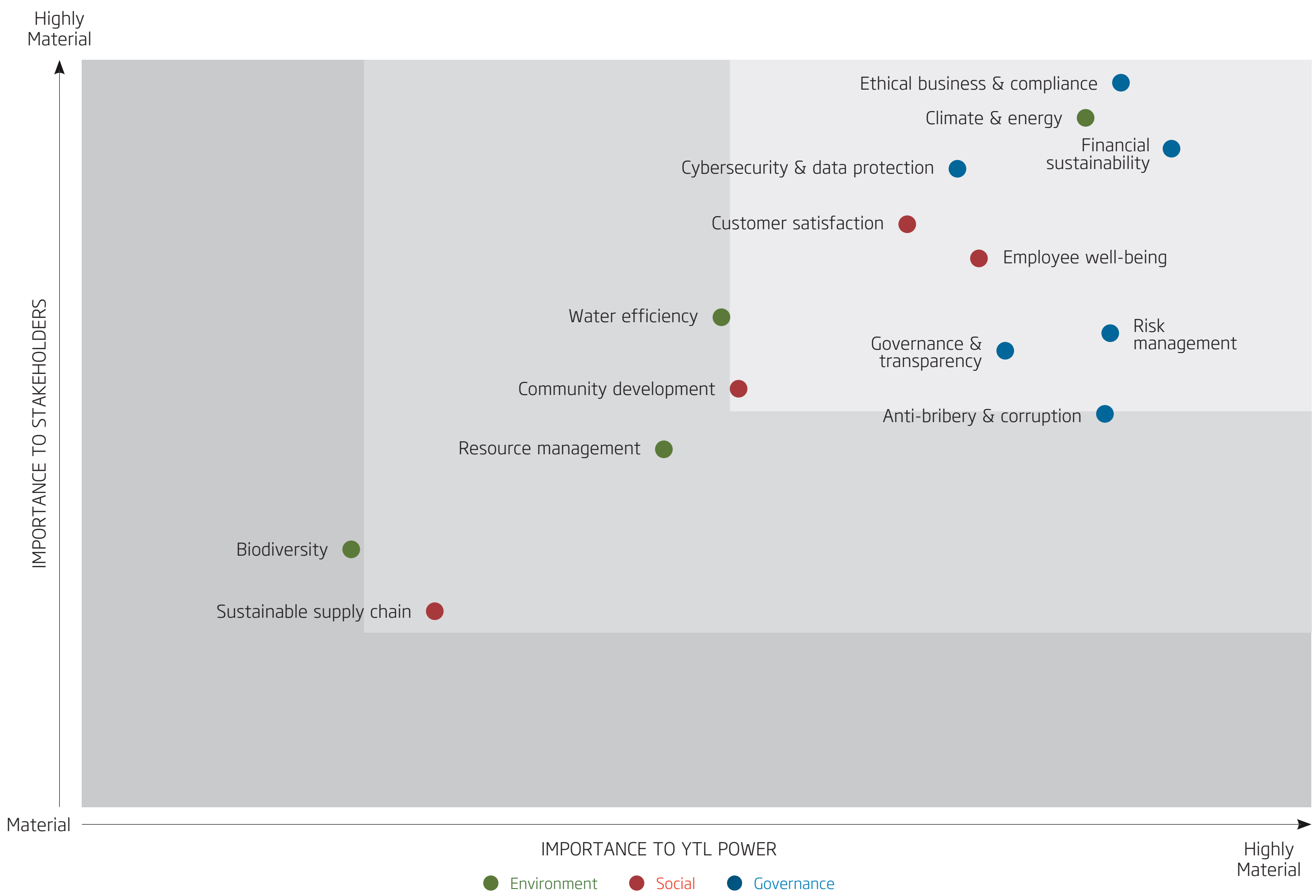
Validation of the prioritised key ESG material matters and reporting of results to the Board for consideration and deliberation

4 Board sign-off

Finalisation of material matters incorporating and addressing Board input; submission to the Board for review and final approval

Materiality Outcomes

There was no material change to our material matters for the financial year under review, following the extensive streamlining and updating process undertaken last year.



Understanding the Context of our Material Matters

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

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

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

Notes:

● ● ● *Indicates highly material matters*

○ ○ ○ *Indicates lower to moderately material matters*

MANAGING SUSTAINABILITY

Management of our Material Matters

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

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

Environmental Stewardship

Key stakeholders : Communities, customers, governments & regulators, investors, banks & lenders
UN SDGs : 6, 7, 12, 13, 14, 15
Material matters : Climate & energy, water efficiency, resource management, biodiversity

Risks	Opportunities	Actions
Short term (1-5 years) **Physical risks:** Increased severity & frequency of extreme weather events including floods & heatwaves may disrupt operations & increase operational, capital & supply chain costs **Transition risks:** • **Regulatory & policy risks:** Interventions such as higher carbon price or carbon taxes & new legislation or reporting requirements may result in increased regulatory & associated costs • **Financial risks:** Compliance with new regulations, research & development (R&D) & adoption of new technologies may lead to increased operational or investment costs • **Reputational risks:** Shift in consumer behaviour & investor preference for more sustainable businesses may influence demand for services **Long term (>5 years)** • **Physical risks:** Longer-term shifts in temperature and precipitation patterns may influence consumer demand, disrupt operations and/or impact resources • **Technological risks:** Development and use of emerging low emissions technologies and products may affect competitiveness, costs and consumer demand	✓ Better integrate environmental & climate change priorities into long-term business strategy ✓ Identify & invest in innovative technologies & solutions to build adaptive capacity, decarbonise income streams & ensure climate resilience ✓ Improve energy, water & waste efficiency to reduce operational costs across service delivery processes ✓ Leverage new & cleaner technologies with use of supportive policy incentives, subsidies & tax benefits ✓ Pursue attractive ESG-linked lending options from banks & lenders ✓ Increased participation in carbon markets	✓ Improve our operational resilience through spare capacity management, regular asset maintenance & adoption of appropriate technological advances ✓ Reduce our impacts on the environment on an ongoing basis through green initiatives, innovation & investments ✓ Develop & invest in low-emission & renewable technologies to allow us to fulfil increased customer demands for cleaner energy; participation in renewable energy programmes & adoption of energy efficiency measures ✓ Pursue exploration of viable new green business lines, including incorporation of potential climate-related financial risk management into investment decisions for major growth projects ✓ Promote R&D into building materials & products with lower environmental impacts ✓ Ensure effective response to, and recovery from, disruptive events with early warning systems, real-time monitoring, emergency plans, response teams & up-to-date business continuity strategies ✓ Improve long-term resource planning through more detailed risk assessment processes with integrated climate change scenarios ✓ Establish strategic partnerships to build an integrated water grid and explore innovative green/low carbon hydrogen solutions ✓ Increase efforts to better estimate Scope 3 emissions including from embodied carbon and methane and nitrous oxide emissions

Societal Enrichment

Key stakeholders : Employees, customers, communities, media, suppliers, business partners & industry groups
UN SDGs : 3, 4, 5, 8, 9, 10, 11
Material matters : Employee, customer satisfaction, community development, ethical supply chain

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

Responsible Governance

Key stakeholders : Suppliers, business partners & industry groups, governments & regulators, shareholders, investors, banks & lenders
UN SDGs : 8, 17
Material matters : Ethical business & compliance, financial sustainability, cybersecurity & data protection, governance & transparency, anti-bribery & corruption

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

ENVIRONMENTAL STEWARDSHIP

Our commitment

Protecting and improving the environment to build a better future

Our approach

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

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

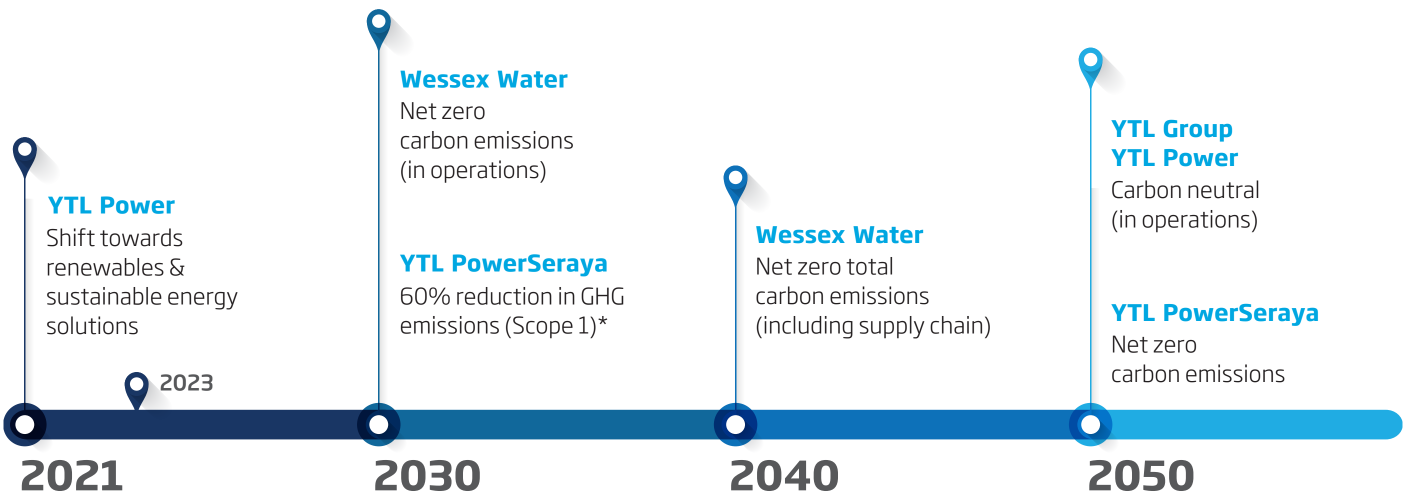
We recognise that the planet provides limited resources and as such the onus is on us to mitigate impacts on land, water and air through the responsible use of natural resources and sustainable operations.

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

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

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

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



** From 2010 levels*

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

YTL PowerSeraya's 60-30 Vision

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

(i) Maximise energy efficiencies of its existing power plants and reduce emissions intensity by at least 10% from 2020 level by 2030

(ii) Invest in low carbon power technologies such as hydrogen-ready power plants

(iii) Diversify energy sources by importing low carbon or green electricity

(iv) Secure eligible high-quality international carbon credits to offset at least 5% of its taxable emissions by 2030

Wessex Water's Routemap to Net Zero Carbon

In 2020, water companies in England produced a routemap to achieving net zero operational carbon emissions by 2030. This was the first sector routemap of its kind in the world, and Wessex Water published its own detailed plan in mid-2021 to achieve net zero operational carbon emissions by 2030, alongside a goal to achieve full de-carbonisation by 2040, a decade ahead of the UK government's 2050 target. The 2030 aim is not a science-based target, but we consider it to be aligned with the principles of the Paris Agreement and the United Nations Convention on Climate Change 1.5°C pathway.

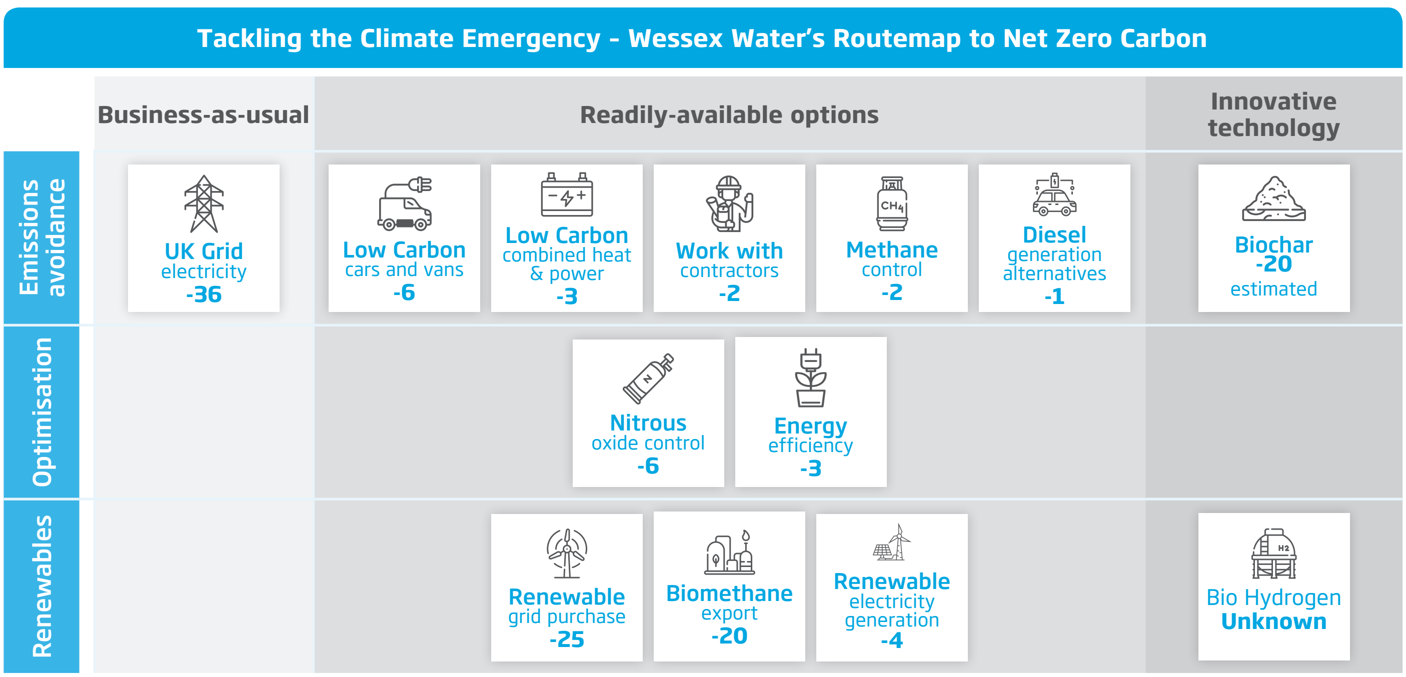
The plan has three strands:

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

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

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

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



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

ENVIRONMENTAL STEWARDSHIP

CLIMATE & ENERGY

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

GHG Emissions

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

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

Type	Description
Scope 1	Direct emissions from the consumption of fossil fuels in operations as well as company-owned or operated vehicles and refrigerant use
Scope 2	Indirect emissions from purchased/grid electricity consumption
Scope 3	Other indirect emissions from supply chain, such as business travel, outsourced activities, purchased electricity and fuels, treatment chemicals and reuse of biosolids on third party land

This year, we registered total Scope 1 GHG emissions of 3,921 kilotonnes of carbon dioxide equivalent (ktCO_2e), a 5% increase compared to 3,718 ktCO_2e last year. The increase was due mainly to higher power generation in Singapore, which rose 13% for the financial year under review to 10,040 GWh.

Scope 2 emissions increased to 150 ktCO_2e this year compared to 118 ktCO_2e last year, with the increase due mainly to an increase in the number of base stations in the telecommunications segment.

However, our GHG intensity decreased 13% to 0.19 this year compared to 0.22 last year, based on our Scope 1 and 2 GHG emissions, measured against revenue.

(in ktCO_2e)	2023	2022	2021
Scope 1	**3,921**	3,718	3,242
Scope 2	**150**	118	121
Scope 3*	**45**	^	^

Note:

* *Includes selected Scope 3 categories of employee commuting for YTL PowerSeraya; employee commuting and business travel for YTL Comms; business travel, outsourced activities, purchased electricity and fuels (extraction, production, transmission and distribution), treatment chemicals and reuse of biosolids on third party land for Wessex Water. Work is ongoing to assess the materiality and put in place the necessary processes to measure this data in our other operations.*

^ *This is a first-time disclosure for the current financial year under review*

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

In the UK, Wessex Water's trajectory of diminishing annual gross GHG emissions continued in 2022-23, falling to the lowest annual operational carbon footprint since reporting began in 1997. A combination of energy efficiency improvements, renewable energy generation and the rapidly falling carbon dioxide intensity of UK grid electricity has led to steadily falling emissions over the last seven years.

Power Generation Mix

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

Advancing towards a more sustainable future, YTL PowerSeraya is also exploring low carbon hydrogen prototyping and feasibility studies separately with research institutions and key hydrogen partners in an effort to improve energy efficiency and 'green' power generation sustainability.

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

Taking guidance from Singapore's blueprint, YTL PowerSeraya will develop a long-term de-carbonisation strategy that will transform its brownfield assets through low carbon fuel shifts, conversion of existing combined cycle gas turbines to hydrogen-ready power plants and hybridisation of power generation with renewable energy sources generated locally and overseas, as well as deployment of various energy storage solutions to advance its net zero ambition by 2050.

Renewable Energy

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

In line with our shift towards more sustainable renewable energy solutions, we are developing a solar power facility with a generation capacity of up to 500 MW in Johor, Malaysia.

This year, 12% of Wessex Water's electricity demand came from renewable electricity generated at its sites. Furthermore, biomethane exported by Wessex Water to the gas grid was 2.5 times the natural gas that it consumed itself. Biogas comes from anaerobic digestion of organic matter (sewage sludge and food waste), whilst biomethane comes from "upgrading" biogas (removal of CO_2, hydrogen, etc).

Following the successful launch of Singapore's First-and-Only customisable green add-on (Renewable Energy Certificate or Carbon Credits) for an electricity plan, YTL PowerSeraya's retail arm, Geneco, expanded Power Eco Add-on's availability from new sign-ups and renewals to all of its residential customers, at any point of their contracts, on 1 April 2023.

With this expansion, existing Power Eco Add-on customers are able to upgrade their current add-ons via Geneco's self-service portal and mobile app. As at 30 June 2023, 3,408 customers had opted for Power Eco Add-on. This 2.0 initiative is in line with Geneco's commitment to supporting the Singapore Green Plan 2030 and building a more sustainable future for the nation by encouraging its customers to do their part for the environment.

Green Financing

We embarked on new green financing initiatives this year, a first for our Group.

The YTL Green Data Center Park in Kulai, Johor, Malaysia's first data center campus to be co-powered by on-site renewable solar energy, is one of our new digital transformation businesses. This year, we undertook a RM1.1 billion Islamic term financing facility for Phase 1, with a commitment to secure Gold LEED certification in compliance with Green Loan Principles published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association.

Integrated with on-site solar photovoltaic power, the YTL Green Data Center Park aims to provide data storage colocation services to clients looking for more sustainable and lower carbon solutions within Southeast Asia and serves as the foundation for achieving YTL Power's greater objective of carbon neutrality for its data centers across the region.

Meanwhile, the Wessex Group's Sustainable Financing Framework, which supports its financing ambitions to deliver tangible environmental and social benefits, is now in place. The framework aligns Wessex Water's purpose – to support customers' health and well-being and enhance the environment and the diverse communities it serves – and its business plan commitments to its financing ambitions through targeted financing.

Under the framework, the Wessex Group may issue environmental or social debt instruments to support its environmental and social objectives, enabling investors to participate in the provision of a sustainable future. Through a Sustainable Finance Framework to finance its plans, investors will be able to monitor how the funding supports delivery of Wessex Water's sustainability goals.

The Wessex Group launched an inaugural £300 million sustainability bond in March 2023, re-opening the sterling primary markets following recent financial sector volatility. The strong execution dynamics on show demonstrate the willingness of the UK investor base to look through the current financial environment for names which are more insulated from the financial sector volatility.

WATER EFFICIENCY

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

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

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

(in '000 m^3)	2023	2022	2021
Water withdrawal*	**130,175**	127,515	127,247
Water discharge*	**329,604**	317,973	387,657
Water consumption	**2,875**	2,702	2,747

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

The marginal increase in water discharge was due to higher rainfall in England, which has led to more water being treated and discharged in our water and sewerage business.

Notwithstanding this, the consequences of climate change were clearly demonstrated during last year, which was one of the driest on record in the UK. Wessex Water implemented its well-rehearsed drought plans during the summer and succeeded in avoiding any restrictions to supply – maintaining its 47-year unbroken record of no restrictions. But to keep pace with the changing climate, the division will continue its drive to further reduce leakage, and work with customers to help them use less water, as well as planning for additional water storage for the longer term.

Sustainable Abstraction

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

This year, Wessex Water was 97% compliant with the licences that control how much water the business can take from the environment.

The unprecedented heat of 2022, combined with the second driest year on record in the region, made for the most challenging conditions faced since 1976. Demand soared as reservoir and groundwater levels plummeted and drought followed. Wessex Water coped successfully with these extreme conditions, maintaining supplies to all customers, avoiding any usage restrictions, and maintaining flow support to several vulnerable streams and rivers. Unplanned outage decreased to 0.76% in 2022-2023, compared to 1.59% the previous year, and is well within the target of 2.34%.

Wessex Water also remains on track for its three-year average leakage target, despite 2022 being a difficult year due to both the extreme heat-drought in the summer and a significant freeze-thaw event in the winter.

Last year was a milestone year for water resource planning. Wessex Water published its new draft Water Resources Management Plan in the autumn, as well as playing its part with neighbouring water companies, in producing the first ever regional plan in January 2023, as part of the West Country Water Resources Group. Further details on the Draft Water Resource Management Plan can be found in the *'ESG'* section on our website.

Environmental Water Quality

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

Water discharge compliance from Wessex Water's water treatment and water recycling centres remained very high at 99.4%. This was below the 100% target with two sites failing in the year, and process improvements have been implemented to restore and maintain compliance at the specific sites.

Responding to wider public concern in the UK, Wessex Water has committed to eliminating all storm overflow discharges by 2050. The number of hours of storm overflows discharged this year fell by 45% – from 238,049 hours in 2020 to 129,957 in 2022. This was despite a 27% increase in monitor coverage and largely because of the dry weather. Wessex Water reported operational data from 91% of 1,300 overflows, and 100% will be monitored by the end of 2023.

Storm overflows are the legacy of over 100 years, when sewerage systems were built using the same pipe to carry both sewage and rainwater, with overflows designed to protect property from flooding during very heavy rain. Wessex Water has 1,300 overflows on 35,089 kilometres of sewers and has been steadily eliminating or improving these.

Wessex Water has already increased investment and is currently spending £3 million per month – at no additional cost to customers – to make a 25% reduction in the operation of storm overflows by 2025, from the 2020 level. After 2025, Wessex Water is proposing a threefold increase in investment to £9 million per month, with the aim of fully treating or eliminating any discharge from storm overflows by 2050. The solutions chosen must also be sustainable for the long-term, taking into account the impact of climate change. So, wherever possible, surface water will be separated from sewage flows or nature-based treatment solutions will be used.

As part of the work to reduce the number of overflows, 93 improvement projects are currently in progress and many more to come. Further details on the Storm Overflows Improvement Plan can be found in the *'ESG'* section on our website.

In May 2023, Wessex Water published its Drainage and Wastewater Management Plan (DWMP), providing a strategic long-term plan for the network. The DWMP identifies how Wessex Water will extend, improve and maintain a robust and resilient drainage and wastewater system in light of the pressures of climate change, population growth and growing customer expectations.

ENVIRONMENTAL STEWARDSHIP

Climate change also means lower flows for longer periods in many of the rivers and watercourses within Wessex Water's operating region. This, coupled with a growing population and new houses, means that the level of nutrients is too high, resulting in excessive growth of algae and consequent damage to the water environment. Because of this, Natural England is imposing tough new standards for the level of nutrients and requiring any new development to be nutrient-neutral. The new standards will affect almost half the Wessex Water region and will be the largest driver of its investment programme from 2025.

Meanwhile, at YTL PowerSeraya's Pulau Seraya and Taser power stations, wastewater after undergoing power plant processes is discharged to the open sea. This wastewater discharge, which is within the environmental limits regulated under the Environmental Protection and Management (Trade Effluent) Regulations of Singapore, is about 24.9% of the total water withdrawn.

RESOURCE MANAGEMENT

Energy Efficiency

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

	2023	2022	2021
Total fuel consumption (terajoules)	**76,491**	64,213	57,249
– Natural gas	**99.5%**	94.1%	99.5%
– Others	**0.5%**	5.9%	0.5%
Grid & house load energy consumption (GWh)	**606**	581	567

In the UK, Wessex Water's electricity use, at 254 gigawatt hours, was relatively low in the context of the last five years, in part due to the dry summer, but close to its average consumption over the last 10 to 15 years. Wessex Water continues to pursue energy efficiency opportunities to offset any rising energy use driven by tighter water and sewage treatment standards, and the operation of the regional water supply grid.

Besides embarking on upstream low carbon energy solutions, YTL PowerSeraya is committed to supporting carbon abatement initiatives and providing low carbon electricity to end-users in Singapore.

In line with Singapore's objective to deploy 12,000 electric vehicle chargers at public housing estates' carparks by 2025, a joint venture company ChargEco was formed in November 2022 between YTL PowerSeraya and Strides Mobility, a leading mobility solutions and services provider and a wholly-owned subsidiary of SMRT Corporation Ltd, to install, operate and maintain 1,200 EV chargers in Singapore.

As at 30 June 2023, ChargEco had successfully installed over 39 EV chargers in 13 carparks in Singapore's Central and East regions. Besides providing electrification solutions to public housing estates, ChargEco is also actively pursuing opportunities in private, commercial and industrial estates.

Echoing the UN's calls for "everything, everywhere all at once" to combat climate change, we are also pursuing upstream decarbonisation efforts by developing clean energy solutions and actively sourcing for low carbon electricity imports. The Group will also unlock downstream opportunities through sustainable electrification and carbon abatement solutions.

At our Brabazon development in Bristol, health and well-being are strongly supported. Segregated cycle paths and walking routes are designed to encourage active travel across 15-minute neighbourhoods, while gyms and wellness spaces will provide plenty of opportunity for an active lifestyle. Picture windows that flood the homes with natural light are a key feature, as well as clever layouts and a range of sustainable features that are all included as standard. Our emphasis on sustainability means that the second phase of new homes exclude gas-based heating entirely. Instead, heating will be provided through air source heat pumps, reducing reliance on natural resources.

The plans for the new phase – created by award-winning local architects Feilden Clegg Bradley Studios – aim to foster a strong sense of community. The new homes are designed on a network of "living streets", with residents able to enjoy expanded access to outdoor spaces that bring people together, including shared gardens, public squares and play areas for children. Landed homes come equipped with solar panels and all residents will have access to EV charging bays.

Brabazon is a brownfield site, redeveloping the old Filton Airfield into a vibrant new community. Apart from rehabilitating and rejuvenating existing buildings such as the hangars, the airfield runways are processed and repurposed on-site. There is an established soil management plan where on-site soil is treated and reused throughout the site. Strict governance through on-site monitoring ensures construction material packaging and waste is sorted on-site to increase recycling.

Waste Management

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

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

	2023	**2022**	**2021**
Total waste generated (tonnes)	**159,407**	148,921	135,599
– Waste diverted from disposal	**96%**	97%	97%
– Waste directed to disposal	**4%**	3%	3%

In 2022, Wessex Water completed the installation of 24 new drinking water refill units across the region. The units are well used, providing free water and preventing more than 245,000 single-use plastic bottles going to landfill every year. Free drinking water at local sporting events was also provided again. Wessex Water provided water stations at runs across the region, including Cancer Research UK's Race for Life and the Bath Half Marathon, hydrating over 16,000 athletes and eliminating more than 20,000 single-use plastic bottles from landfill.

Responsible Production & Consumption

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

Wessex Water is proud, particularly given altered water consumption patterns since Covid, to have exceeded its performance commitment target for the volume of water saved through water efficiency activities, delivering savings of 3.6 Ml/d compared to an end of year target of 3.0 Ml/d.

Wessex Water's water efficiency promotions were very popular with customers who were motivated by the twin pressures of drought and high energy prices, which are relevant to hot water use. The division re-launched its Home Check service to install water saving devices and offer bespoke behavioural advice to customers in their homes in April 2022. By the end of the year, Wessex Water had visited 4,439 customers and plumbers returned to 750 of these to fix leaking toilets and taps.

ENVIRONMENTAL STEWARDSHIP

Wessex Water also promoted its free water saving device pack through social media and in e-newsletters and distributed more than 18,000 packs during the year, including nearly 11,500 eco shower heads. More than 21,000 households also signed up to use the online GetWaterFit water use calculator, up from 14,000 the previous year.

In August 2022, the division launched a new non-household water efficiency programme, targeting schools for device installations and leak fixes – supporting 91 schools by the end of March 2023.

Following the successful launch of Singapore's First-and-Only customisable green add-on (Renewable Energy Certificate or Carbon Credits) for an electricity plan, Geneco has expanded Power Eco Add-on's availability from new sign-ups and renewals to all of its residential customers, at any point of their contracts, on 1 April 2023. As of 30 June 2023, Geneco had 3,408 customers who have opted for Power Eco Add-on.

BIODIVERSITY

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

Wessex Water's work to boost biodiversity on its landholdings continues well and work for the year drew on insights derived from the 2021 baseline biodiversity value assessment. Wessex Water has identified that its 333 larger sites, each of more than 0.5 hectares, contribute the lion's share of its biodiversity units (13,952), whereas 1,825 small sites contribute far fewer (395). Some individual sites make an enormous contribution, including Clatworthy Reservoir (13.5%), Charmy and Shapwick Heath (10%).

Wessex Water has agreed actions with Natural England to improve a number of Sites of Special Scientific Interest (SSSI) in the region. It exceeded the target number of actions to be delivered by 2022-23.

Of its SSSI landholding, 63% is in favourable condition and 30% is classified as unfavourable – recovering, a total of 93%. This is unchanged from last year. Work is also ongoing towards the UK government's 25-Year Environment Plan target to restore 75% of protected sites to favourable condition.

Wessex Water's Biodiversity Action Plan (Spring 2023 Update) can be found in the *'ESG'* section of our website, together with more information on current biodiversity partnerships.

Meanwhile, we received planning approval in November 2022 for Brabazon Park, a 15-acre public park at the center of our Brabazon development in Bristol. Wildlife corridors are designed into our Masterplan, providing protected passage and contributing to the biodiversity net gain. These corridors are intertwined with the 15-acre Brabazon Park, a new landmark in the south west of England at the heart of the development.

The design of Brabazon Park takes inspiration from aviation engineering, aiming to capture the historical, cultural and ecological uniqueness of the former airfield. One of the highlights of the new green space will be the Heritage Trail, connecting the Brabazon Hangars with Aerospace Bristol Museum and retelling the history of the airfields pioneering past.

Brabazon Park will also support the environment, offering new habitats for birds, insects and animals, while also connecting to other local wildlife corridors. There will be flowers and grasses, mature trees and shrubs, as well as the 3-acre lake, which will be a home for aquatic planting and will support sustainable drainage across the new neighbourhood. The lake is part of the masterplan water attenuation strategy which replaces the need to construct holding tanks.

SOCIETAL ENRICHMENT

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

CUSTOMERS

Our commitment

Providing reliable, affordable services for our customers and communities

Our approach

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

Customer Satisfaction

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

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

Last year, YTL PowerSeraya's retail brand, Geneco, introduced the Power Eco Add-on plan to cater to the growing demand for greener electricity. The plan offers eco-conscious customers the option of choosing either carbon credits or Renewable Energy Certificates (RECs) to lower the carbon footprint of their electricity consumption. This year, availability of the plan, which was previously available for new sign-ups and renewals, was extended to all residential customers, at any point of their contracts.

In 2022, Wessex Water again delivered very strong performance in the UK water sector's customer satisfaction metric (C-MeX) coming third overall. This was in part a product of its dedicated Customer Experience Group, continually reviewing C-MeX performance and feedback from customers in order to drive continuous improvement.

In addition, 87% of customers said they are satisfied with the service. This is a slight fall from 2021 (92%) but remains very high given that extreme weather affected response times and there was negative media coverage about the wider water sector in the year. 79% of customers said the division's service was good or very good value for money; a higher proportion than in 2021 but still below target. Wessex Water's average Trustpilot rating for 2022 was 4.6 stars out of 5, and 86% of reviewers gave the top possible rating of five stars.

This year, Wessex Water again received the Customer Service Excellence award and retained the Service Mark with distinction from the Institute of Customer Service, one of only 20 companies in the UK to hold the accreditation.

In Malaysia, YTL Comms continued to build on the roll-out of its 5G services in tandem with the expansion of Digital Nasional Berhad's network. We have long led the way in democratising access to high-speed mobile broadband services, offering the most affordable plans and bridging the access divide across rural and urban areas of the Peninsula.

This year, YTL Comms received several awards for its customer-centric approach including 'Best in Consumer Satisfaction', 'Best Quality of Service', 'Best in Corporate Social Responsibility' and 'Best Mobile Network Operator with Less Than 5 Million Subscribers' at the Malaysian Communications and Multimedia Commission (MCMC) Star Rating Awards in December 2022, as well as Gold Winner for 'Prepaid Plan of the Year' and Silver Winner for 'Mobile Telco of the Year' at the SoyaCincau Awards in December 2022.

SOCIETAL ENRICHMENT

Customers in Vulnerable Circumstances

We offer financial assistance and other support programmes across our operations intended to assist customers facing difficult or challenging circumstances. As part of the YTL Group, YTL Power also contributes significantly to YTL Foundation, the YTL Group's charitable arm, responsible for delivering the YTL Group's community improvement initiatives.

This has been a tough year for many of our customers in the UK, with extremely high energy prices and food bills fuelled by high inflation. As a provider of an essential service, Wessex Water made it a priority to mobilise support for customers and communities who needed it most by expanding its industry-leading tailored assistance programme (tap) of affordability help, making it easier and quicker for customers to access the help they need.

Customers are also offered extensive financial and debt support through a range of schemes and low-rate tariffs under tap. This increased in 2022 as customer incomes were increasingly squeezed by inflation and the high cost of living. Wessex Water is tripling the numbers on its financial support schemes over the next couple of years, making help much easier and quicker to access, auto-enrolling customers on to discounted tariffs where it can, and injecting additional funding into the debt advice sector to build extra capacity.

Wessex Water made the following changes in the past year:

- ✓ Worked to fast track up to another 60,000 customers on to its Assist social tariff, to benefit from discounts of up to 90% on their water bills more quickly and easily
- ✓ Worked with the UK Department of Work and Pensions to automatically apply a 20% discount to the bills of up to 55,000 low-income pensioners. Overall, more than 23,900 low-income pensioners received around £60 off their bill
- ✓ Set up data shares with local councils to auto-enroll customers on to help schemes
- ✓ Promoted its schemes using a variety of communication channels, and using imagery and wording customers have said will best encourage them to get in touch. Wessex Water also built new partnerships with organisations to increase take-up
- ✓ Simplified the application process for its schemes based on feedback from customers through focus groups
- ✓ Injected an additional £160,000 from out-performance into the debt advice sector, funding seven new projects across its region to directly increase capacity
- ✓ Ran a large pilot with debt advice organisation Money Wellness to directly refer customers to them through a web portal. With consent, Wessex Water is also able to receive customer data in return and support them with the right scheme

Wessex Water greatly values the insights of around 300 partners who help support vulnerable customers, and are always looking at ways to work more effectively with them and to develop new relationships. The division is co-funding a project with Bristol Water and two energy distribution networks for the Royal Association for the Deaf to signpost or register customers for Priority Services and/or affordability support.

PEOPLE

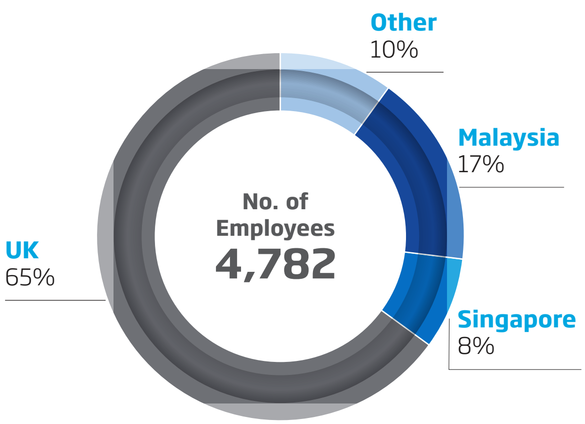
Our commitment

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

Our approach

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

Our workforce of just under 4,800 people as at 30 June 2023 is situated mainly in the UK, Singapore and Malaysia, and we also have a smaller number of employees in Indonesia, the Netherlands and other countries.



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

Training, Development & Well-being

Nurturing and building people capabilities continued to be a top people agenda in FY2023. Our success is deeply rooted in the strength of our people, and investing in them is the key to achieving our collective goals.

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

		2023
Number of training hours by employee category	Executive	**6,203**
	Non-executive	**48,712**

With the acceleration of virtual learning over the past few years, it is easier than ever for employees to initiate and undertake their own training, signing up for and participating in sessions that best suit their specific needs and interests. Whilst this method of training is highly effective, tracking these training hours is largely done via voluntary reporting by employees and, as such, the total training hours captured by conventional systems may not accurately reflect the higher number of actual training hours undertaken. This is an area for ongoing analysis and improvement in the data collection process.

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

To strengthen its people advantage and foster a growth mindset, YTL PowerSeraya ramped up its learning and development delivery in the year. In addition to mainstay function-specific technical training and Leadership Development programmes, a series of digital skills training to enable different levels of staff to thrive in today's digital world were rolled out. These included Excel, Power BI and Machine Learning programmes to equip employees to be more proficient in analysing data in their day-to-day tasks and for data-driven decision-making.

SOCIETAL ENRICHMENT

As part of workforce planning and renewal, pipeline building for knowledge transfer and replacement of retiring employees continued. Over the years, YTL PowerSeraya has successfully adopted a multi-pronged sourcing approach leveraging internships, work-study programmes, scholarships, career fairs and open market hires to fulfil its talent needs. In the year under review, a new Staff Referral Scheme was launched to further enhance sourcing success.

Post-pandemic, YTL PowerSeraya's 'VIBRANCY' club has been revived with on-site after-hours recreational activities such as board games night and happy hour. Corporate celebratory and get-together lunches were regularly organised for employees to enjoy their meals together. As part of employee well-being and work-life balance initiatives, guidelines on After-hours Communication were shared so that employees can more effectively disconnect from work to rest and recharge. Further, a new Internal Job Market Scheme was implemented to provide internal career opportunities and mobility for employees. These measures and initiatives will go a long way to enhance employee engagement and retention.

This year, YTL PowerSeraya led the pack in embarking on Operation and Technology Roadmapping in partnership with Singapore's National Trades Union Congress (NTUC) under the Company Training Committee. The initiative involved the review of Terminal Operations' end-to-end work processes to identify operation and technology improvement areas for focused development in its transformation roadmap. In the exercise, the competency framework for YTL PowerSeraya's workforce will be updated to meet the new business requirements, and the training and development needs of the workforce will also be mapped out.

In the UK, in addition to welcoming 27 entry apprentices, 21 career development apprentices, 13 people on industrial placements and 13 graduates in the year, Wessex Water was excited to launch the YTL Wessex Academy this year – a government recognised employer provider for apprenticeship delivery. The Academy will enable the delivery of high-quality training to be done in-house.

So far, more than 150 people have benefitted from the early career programmes, with an additional 35 having formal advice and guidance sessions on their potential career development steps. Wessex Water has also opened its doors to 40 work experience placements, showcasing career insights into the water industry, and has benefitted from the creation of a fantastic pipeline of talent to help futureproof the business.

Wessex Water delivered more than 1,000 training courses and added a 'learning bites' section to its platform to provide quick and simple eLearning opportunities for staff. Wessex Water expanded the eLearning catalogue by adding new courses to help users refresh knowledge quickly, including new courses for customer service and national water hygiene.

Labour Standards

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

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

As at 30 June 2023, about 83% of our workforce was based outside Malaysia, in countries that also have sound labour protection laws and standards to which we vigorously adhere. These include the UK, Singapore, Indonesia and the Netherlands.

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

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

In Singapore, YTL PowerSeraya prides itself on having a harmonious and collaborative relationship with its industry union, the Union of Power and Gas Employees (UPAGE). In 2022, a new 3-year Collective Agreement was successfully negotiated and renewed. Over the years, the division has actively partnered UPAGE in programmes such as education grants for members' children and health screening for its employees.

In recognition of YTL PowerSeraya's contributions towards the Labour Movement's mission to uplift the wages, welfare and work prospects of workers, the distinguished Plaque of Commendation (Gold) Award was conferred to YTL PowerSeraya by the NTUC Oil, Petrochemical, Energy and Chemical Cluster in the NTUC May Day Awards 2023.

Workplace Health & Safety

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

Our aim is for zero accidents and we regularly monitor, review and optimise our health and safety practices to minimise incidents in our business operations. The information we collect assists in determining problem areas or emerging trends and allows resources to be allocated to prevent accidents or illnesses. The data collection and validation process is work-in-progress across our organisation and we target to report this information in our next report.

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

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

YTL PowerSeraya obtained the SS 651 standard successfully and also initiated a 3-year safety culture transformation road map to promote proactive safety ownership. SS 651 is a standard developed specifically for the chemical industry in Singapore on occupational safety and health management systems. Re-certifications of ISO45001 and BizSafeStar were also successfully completed during the year.

Wessex Water's new dedicated health and safety reporting platform, Engage EHS, has been in place for its first full year, ensuring consistent reporting across the company and improving visibility and action management. Improvements to date included:

- ✓ improved safety trends and quicker response times from improved visibility of actions, enabling analysis of behaviours to inform more proactive intervention strategies.
- ✓ 17% increase in employee engagement in 2022, resulting in an 11% increase in reported incidents, indicating a successful drive for openness and reporting rather than a failure, as injury and frequency rates both reduced. This included a 15% fall in serious incidents; a 9% reduction in injuries; and a 12% fall in all-injury frequency rate.

During the year, Wessex Water restructured and augmented its safety team, including implementing a multi-disciplined up-skilling programme for its health and safety advisers. Some of the division's health and safety professionals also undertook the nationally recognised Kelvin TOP-SET incident investigation training, to improve, among other things, root cause analysis and prevention.

In addition to completing more than 3,000 safety audits, and a 41% increase in site visits from senior leaders, Wessex Water also introduced a QR code induction process for all sites, automating key site-specific safety controls.

Once again, Wessex Water was very proud to receive the Royal Society for the Prevention of Accidents' President's Award, which is reserved for organisations which have achieved 10 or more consecutive gold awards. This year Wessex Water made it 11 golds, in addition to retaining its ISO45001 certification.

SOCIETAL ENRICHMENT

Diversity & Equal Opportunity

With close to 4,800 employees in diverse locations around the world, fostering a culture of inclusion and equality is essential in retaining a capable workforce. We value differences at YTL Power and firmly believe a diverse workforce brings different perspectives, ideas and solutions. We are committed to creating and promoting an inclusive workplace for our people and we continue to pursue initiatives that drive our diversity goals.

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

		2023	**2022**	**2021**
Total number of employees		**4,782**	4,521	4,433
Gender	Female	**26%**	26%	25%
	Male	**74%**	74%	75%
Type	Permanent	**91%**	90%	91%
	Contract/temporary	**9%**	10%	9%
Category	Top management	**2%**	2%	2%
	Senior/Middle management	**16%**	16%	16%
	Executive	**9%**	9%	9%
	Non-executive	**73%**	73%	73%
Age	<30	**20%**	20%	20%
	30 – 50	**53%**	52%	52%
	>50	**27%**	28%	28%
Location(1)	Malaysia	**17%**	17%	19%
	UK	**65%**	65%	64%
	Singapore	**8%**	8%	7%
	Other countries	**10%**	10%	10%
Senior management hired from local community (2)		**96%**	96%	99%
Number of employees with disabilities		**119**	99	76
Number of employees taking parental leave		**162**	153	175
Number of employees returning after parental leave		**155**	148	172
Number of substantiated complaints of human rights violations		**0**	0	0

Note:

(1) *Based on location of company*

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

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

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

Our current areas of focus include:

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

SOCIETAL ENRICHMENT

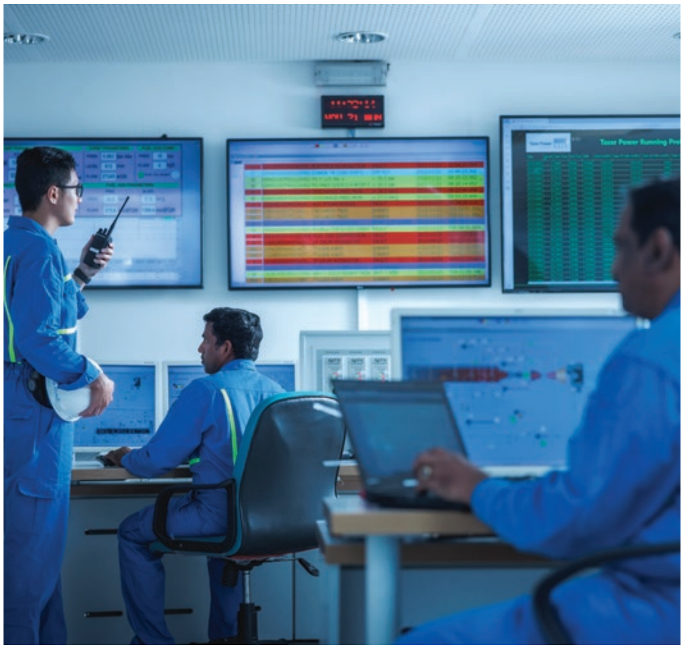
Wessex Water took part in the 2022 Energy and Utility Skills Diversity and Inclusion Measurement Framework, which provided excellent insight into how it compares with the utility industry in the UK, including the water sector, both nationally and regionally.

While Wessex Water is making good progress on ensuring its workforce reflects the community it serves, its ethnicity results are below the UK industry average. In response, Wessex Water formed the Race At Work Group – an internal network of colleagues from across the business, to plan how it can provide more opportunities for those from ethnic minorities.

Similarly, Wessex Water formed a Disability Advisory Group, again consisting of colleagues across the business, with an interest in promoting opportunities for those with a disability, including hidden disabilities. The group will provide feedback and advice on improving opportunities.

After undertaking external benchmarking on its family leave policies, Wessex Water improved its leave and benefits entitlements to help attract and retain talent and build a reputation as an employer of choice, especially in male dominated business areas.

Partnerships with external organisations continued to thrive. For instance, Wessex Water provided work placements to help women re-enter employment in collaboration with the Women's Work Lab, and work with Seetec Plus and Bristol Future Talent Partnership expanded.



SOCIETAL ENRICHMENT

COMMUNITIES

Our commitment

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

Our approach

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

With business operations spanning the globe, we recognise the importance of creating sustainable and positive social value for communities where we operate.

Community Impact

The YTL Power Group takes a proactive stance in enriching local communities, from providing financial assistance to improving the quality of education, and supporting livelihoods and economic development to shape a better environment for future generations.

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

Full details can be found at YTL Foundation's website at www.ytlfoundation.com.

Building Resilient Communities

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

In the UK, approval is currently pending for the revised masterplan for Brabazon (further details of which can be found in the *Investment Holding Activities* section of the *Management Discussion & Analysis* in this Annual Report). The revised masterplan is designed to meet the needs of local people while also delivering on the objectives of the UK's National Planning Policy Framework (NPPF) and South Gloucestershire Council's Local Plan. The overarching objective of the NPPF is to ensure development is economically, socially and environmentally sustainable.

As the birthplace of Concorde, the former Filton Airfield was known for the collective spirit of a community that changed the world. Brabazon is being designed to live up to that legacy, creating a new neighbourhood to inspire the next generation. Economically, the revised masterplan for Brabazon is forecasted to create over £5.0 billion in added economic value, with sufficient commercial space to support over 30,000 jobs. Socially, it represents a huge investment in the community that that built Concorde, with three new schools, a health centre, community facilities and over 35 hectares of new public green spaces, including the largest new urban park in the South West for 50 years.

The grant of planning consent for Hangar 16U, the new local social hub at Brabazon, represents the second major community investment at Brabazon. In April 2023, YTL Developments also launched a new multi-year partnership with Southern Brooks to fund community development work and foster social cohesion across South Gloucestershire and North Bristol.

Southern Brooks is a community anchor charity, building connections and providing support to help individuals and communities thrive in South Gloucestershire. The new partnership will fund an extra community development worker and a range of activities for residents and community groups. Crucially, the partnership – worth almost £50,000 over an initial two-year period – is designed to engage existing local communities – from Bradley Stoke to Patchway, Henbury and Brentry – as well as new residents at Brabazon.

Under the programme, Southern Brooks will:

- ✓ Run neighbourhood events, from welcome workshops and community meetings to drop-in sessions and pop-ups
- ✓ Provide targeted funding for local groups, helping anything from book clubs to gardening groups and parenting networks with everyday expenses
- ✓ Manage newsletters and social media channels to communicate community information
- ✓ Identify and support potential community champions
- ✓ Southern Brooks and YTL Developments will use the Royal Society for Public Health Community Spirit Framework to measure the success and help target support where it is needed most

During the year, YTL Developments also launched new pathways into employment for local young people. This involved working with Bristol Talent Partnership to hold taster sessions about careers in property, a work experience programme for 16 year-olds and university placement opportunities for students.

South Gloucestershire and North Bristol have needed new community spaces for some time. Hangar 16U, Brabazon Park and the new transport links at Brabazon will create ideal places for local residents to come together. This holistic approach to building sustainable communities is intended to make a real difference in improving social cohesion, reducing poverty, loneliness and isolation while boosting people's health and well-being.

Enriching Communities through Education

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

YTL Foundation believes that education moulds minds, inspires achievements, unleashes potential and is the basis on which every society progresses. The Foundation works towards unlocking opportunities for young Malaysians to grow, develop and reach their full potential.

SOCIETAL ENRICHMENT

The Foundation champions 21st century learning, organise talks and conferences, provides funds for educational and community programmes and invests in developing moral leaders of character. In its dedication to the principle that all Malaysians deserve quality, equitable education and leaders with strong values and character, the Foundation's resources and expertise are channelled into a focused set of initiatives to ensure measurable and meaningful impact.

YTL Foundation celebrated its 25th Anniversary on 7 October 2022 at The Majestic Hotel, Kuala Lumpur. DYMM Tuanku Muhriz ibni Almarhum Tuanku Munawir, Yang di-Pertuan Besar of Negeri Sembilan and DYMM Tuanku Aishah Rohani binti Almarhum Tengku Besar Mahmud graced the dinner as the guests of honour, with DYMM Tuanku Muhriz ibni Almarhum Tuanku Munawir presenting awards to the top five finalists of the first-ever Malaysia Teacher Prize.

Highlights for FY2023 included:

(i) YTL Foundation Scholarship Programme

The foundation of the Scholarship Programme is the belief that future generations hold the key to a prosperous and progressive nation. From the technical wonders of engineering to exploring the world of humanities, YTL Scholars can pursue their interests and aspirations both locally and internationally. Two scholarship programmes are available for qualifying high achievers who also possess strong interests in community service.

There were 15 successful YTL Foundation scholars in 2022 including one pursuing a degree in Human, Social and Political Sciences in Cambridge University and another in Law in the University of Bristol. There are 70 active scholars under the programme.

(ii) KelasKita: An evolution of the Learn From Home Initiative

With the rich bank of Learn From Home educational content, KelasKita allows volunteers to provide tuition (online or on-site) to children in low-income communities most affected by the pandemic using the Learn From Home Lessons and FrogAsia's virtual learning platform (Frog VLE). Through the Frog VLE, volunteers are able to teach using the ready-made lessons, edit lessons to add their own content, assign homework and quizzes and monitor the progress on their students.

Over the course of the year training was conducted for KPMG and PricewaterhouseCoopers Associates Sdn Bhd (PwC) (for both the administrators and volunteers) on using the KelasKita platform. In June this year, KPMG started the programme with students from SK Bukit Lanjan Selangor and PwC volunteers tutored students from Rumah Kebajikan Anbu Illam, Rumah Kebajikan Karunai Illam and Pusat Jagaan Rumah Juara.

Teach For Malaysia received a grant from CIMB Foundation to carry out the KelasKita classes for students in PPR Hicom and Lembah Subang. Volunteers from Universiti Teknologi MARA were recruited and trained, kicking off the first session in PPR Lembah Subang with 16 volunteers and 60 students. In April 2023, FrogAsia joined the programme and 12 volunteers conducted classes for 80 students at PPR Hicom.

Micron Technology, an American producer of computer memory and computer data storage with a large facility in Penang also started the KelasKita programme in June this year with more than 70 students in two schools near their facility (SK Batu Kawan Penang and SJKT Batu Kawan Penang).

The Foundation is also working to recruit volunteers within the YTL Group and currently has volunteers tutoring students online from PPR Seri Perak in Sentul.

(iii) Leaps Academy

After a two-and-a-half-year hiatus due to the pandemic, Leaps Academy resumed physical classes at 54C, the YTL Learning Space, and carried out outreach programmes commencing in July 2022. Leaps Academy runs programmes for children from the underserved community including the B40 and refugee communities, to improve education to build a stronger foundation for success.

Focus is on 3 key areas: improving academic performance, developing strong character through programmes that focus on social awareness and values, and building relationship with the refugee school administrators, parents and students to be more invested in learning.

To date, Leaps Academy has worked with over 200 local and international volunteers. In July 2022, three volunteer students from top UK universities, Bath University and Oxford University, were recruited through a partnership with Soroptimist International Damansara under their Building Bridges Beyond Borders programme. Serving in high-need refugee schools, each volunteer worked with over five schools and taught over 100 classes for both academic and non-academic subjects for a minimum of three to six months.

This was the first batch of international volunteers to conduct physical classes in the schools. Employees also took the opportunity to contribute their time and expertise to make a difference in education within the B40 and Orang Asli community, conducting online English and Mathematics tuition classes for both primary and secondary students.

As of June 2023, there were 291 students attending classes on a weekly basis. In collaboration with Lions Club Raub, a new cohort of over 50 Orang Asli students from SEMOA, Kampung Tras Pahang, have joined their first-ever online classes since May 2023 for English, Mathematics and Bahasa Melayu at primary and secondary levels.

Other programmes carried out during the year included:

- ✓ Leaps Holiday Programme – three sessions of *"Empowering Students and Shaping a Socially Aware Generation Equipped with Social and Emotional Skills"* were conducted, with a total of 105 students taking part
- ✓ Computer Skills Programme – conducted by three YTL scholars for 10 children from two refugee community schools over a course of four lessons
- ✓ Waste Management & Recycling – conducted by the YTL Group Sustainability team for a group of 15 students from two refugee schools
- ✓ 54C Holiday Programme – about 30 children of YTL employees and from the Sentul community, joined this programme in March 2023, exploring the basic skills of drawing and the art of colouring, and learning about movement and rhythm, and played games while listening to the sounds made. During the science, technology, engineering and mathematics (STEM) workshop conducted by Universiti Tunku Abdul Rahman lecturers, the children learned about the different parts and functions of the heart, as well as Maths and Physics activities
- ✓ 545 Music Classes – conducted by educators from Tick-Tock Beats Music and Movement, a well-established music school since 2002 for nearly 30 students aged 5-15 from the underserved community
- ✓ Healthy Living Awareness Programme – three programmes carried out in collaboration with International Medical University (IMU) for a combined attendance of 350 children from seven refugee schools. There were 28 volunteer students who conducted the programmes covering sleep hygiene, nutrition and oral hygiene
- ✓ 54C Christmas Party - six Christmas parties organised for 220 children; these included the children of YTL staff, children from the Sentul community and children from the refugee community

(iv) PEMIMPIN GSL Leadership Programme for Schools

Pemimpin GSL has been supported by YTL Foundation since its inception in 2017. YTL Foundation has helped the organisation grow and expand its reach from just 22 schools initially to over 1,854 schools all over Malaysia impacting over 3,277 school leaders and teachers and 406,200 students.

Over the period from July 2022 to July 2023, Pemimpin GSL ran four programmes: - Accelerated School Leaders Initiative (ASLI) Cohort 1 & 2, Leadership, Enrichment and Development Programme Cohort 3, Leadership and Development Application and the Malaysia Teacher Prize.

The ASLI programme targeted at Orang Asli school leaders, launched last year after eight months of research, is currently running in Orang Asli schools in Perak, bringing impact to 30 schools through face-to-face workshops.

Malaysia Teacher Prize – Pemimpin GSL

Together with the Global Teacher Prize and PEMIMPIN GSL, YTL Foundation organised and funded the first ever Malaysia Teacher Prize last year to elevate the status of teachers and recognise Malaysian teachers who go above and beyond their call of duty to make a difference. The inaugural event saw education and industry leaders coming together to celebrate the teaching profession and witnessed Cikgu Anuthra Sirisena walk away with RM50,000 for her amazing efforts not just in her classroom but in her community.

This year, the Malaysia Teacher Prize has returned for its second year to celebrate exceptional educators in Malaysia. In addition to YTL Foundation, the Malaysia Teacher Prize 2023 is also funded by Yayasan Hasanah and ECM Libra Foundation, aspiring to reach 10,000 teachers and receive at least 2,000 applications. Furthermore, in November this year, the Prize will also feature a Summit to showcase the work of teachers and provide a platform for stakeholders within and beyond the education sphere to network and exchange ideas on innovations in education.

As part of the Malaysia Teacher Prize's broader scope to drive long term impact for the education landscape in Malaysia, the Top 10 Finalists will also be given professional development to sharpen their expertise and scale their teaching methods beyond their classrooms.

(v) Malaysia Acumen Academy

As of June 2023, Malaysia Acumen Academy comprised 59 inspiring Fellows across seven states, who are leaders/key decision makers of their organisations. The Fellows continue to make a difference in Malaysia's most pressing social issues such as food waste, hunger, access to healthcare, financial inclusion and more.

In conjunction with the launch of the 2023 cohort applications, Acumen Academy hosted the Acumen Academy Malaysia Summit at the end of July 2022. It was attended by 150 social impact makers from various sectors who spent the day with Acumen Fellows and experienced parts of the fellowship programme during the day.

The Malaysia Acumen Academy's new cohort was announced in January 2023. These dynamic individuals, who have been making an impact in their respective communities, will now embark on a leadership transformation journey which will prepare them for a lifetime of accompaniment and service to others.

(vi) Teachers for Educational Equity Initiative

YTL Foundation partnered with the University of Birmingham to co-develop the Teachers for Educational Equity Initiative – an Initiative that aims to partner with alternative learning centres and Teach For Malaysia to provide world-class quality education to teachers teaching in underserved, underprivileged and marginalised communities across Malaysia.

The Initiative includes a variety of teacher education programmes such as the Postgraduate Certificate in International Education (PGCEi in International Education), Postgraduate Diploma in International Education (PGDipi) and Master's in Education (International Learning and Teaching). The Foundation and the University conducted desktop research and stakeholder consultations to gain clearer understanding of the notable challenges experienced by teachers in these national schools and alternative learning centres, from October 2022 to January 2023.

Following the research and consultations, the University developed a bespoke hybrid PGCEi in International Education which includes modules such as Teaching and Assessment, Adaptive Teaching and Inclusivity in Curriculum.

For the inaugural year of the PGCEi in International Education, the Foundation and University chose to reach out to alternative learning centres within the Klang Valley (Selangor, Kuala Lumpur and Putrajaya) within the Foundation's network. This is to ensure a smoother execution and management of the programme especially as there is no existing framework for such a collaborative teacher education initiative.

A total of 36 teachers from the alternative learning centres and 41 from Teach For Malaysia were nominated by their school leaders and Teach For Malaysia, respectively. YTL Foundation and the University conducted the Admission Assessments throughout the week of 25 June 2023. The results of the Assessment of English Communication for Multilingual Speakers were announced in mid-July 2023 followed by the registration and enrolment of the teachers by the University.

(vii) Malaysia Collective Impact Initiative (MCII)

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

During the course of the year, MCII carried out various literacy, STEM and leadership programmes in 23 schools in the Klang district, working with among others, MyReaders, OSK Foundation and Pemimpin GSL. It continues to engage the community in its Education Roundtables and Online Sharing Sessions.

(vii) Collaboration with Deloitte on Kids Edu Programme

Once again YTL Foundation collaborated with Deloitte, to equip the children in Negeri Sembilan, Pahang, Selangor and Penang with YES 4G sim cards for online tuition classes. This initiative impacted over 300 students.

Additional Information

Further details of YTL Foundation's initiatives during the year under review can be found in the YTL Group Sustainability Report 2023 available in the *'ESG'* section on our website, as well as the YTL Group Sustainability website at www.ytl.com/sustainability, and on YTL Foundation's website at www.ytlfoundation.com.

Supporting our Communities

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

Throughout 2023 we have continued to engage with partners to reach wider segments of the community that would benefit from our programmes.

(i) YTL Foundation

AVPN Global Conference 2023

YTL Foundation, as a Lead Partner for the AVPN Global Conference 2023, hosted the opening dinner in June 2023, providing an opportunity to promote the work of the Foundation on a regional platform, building on the AVPN Constellation Award for the Learn From Home Initiative won last year.

The conference brought together over 1,000 social investors, philanthropists, institutional investors and impact investors from around the world. From climate action and empowering communities to impact investing, participants gained valuable perspective from change makers in the field.

Ruang Kita

In 2020, YTL Foundation collaborated with Sentul Raya Sdn Bhd, Dewan Bandaraya Kuala Lumpur, Polis Diraja Malaysia and Toy Libraries Malaysia to launch the Ruang Kita programme in PPR Sri Perak. Humankind, Sentul Raya Sdn Bhd, Toy Libraries Malaysia, Kelab Belia Sentul and Childline Foundation joined hands to run a Community Day on 3 December 2022 reaching out to 1,200 families with around 200 children, parents and volunteers coming together for the event.

The 1000-day nutritional programme in collaboration with International Medical University launched in 2020 has reached out to over 150 pregnant mothers impacting both 10 pregnant women from PPR Sri Perak and 123 pregnant women from PPR Setapak. This programme educates the mothers, pregnant women and post-partum mothers about the importance of healthy diets for themselves and their newborn, in the first 1,000 days.

Collaboration with Free Food Society

To widen outreach to needy students outside the scholarship programme, the Foundation provided a grant of RM36,000 to the Free Food Society to serve a meal daily for about 200 B40 students in Universiti Malaya this year. The grant will also be utilised to provide snacks to students under the Orang Asli Tuition Project in Kampung Serigala, Tanjung Malim Perak.

SOCIETAL ENRICHMENT

Collaboration with Sr. Enda Welfare Organisation (SEWO), SMK Assunta

The Foundation also provided a grant of RM15,600 to SEWO for 60 needy students in SMK Assunta to sponsor school uniforms, shoes, stationery, and exercise books.

(ii) Wessex Water Foundation & Water Force

The charitable Wessex Water Foundation spent just over £800,000 in 2022-23 supporting thousands of people and environmental initiatives across the south-west.

Every year, the Foundation distributes £225,000 of core funding to Citizens Advice Bureau and £70,000 to five key environmental partners. This year, in recognition of the cost-of-living crisis, it provided an extra £160,000 to debt advice partners. And as part of the Community Connectors launch, £66,360 of new funding was devoted to supporting community-led projects in Chippenham and Bridport.

The Wessex Water Foundation also delivered two community funding rounds in 2022:

- ✓ the Environment Fund awarded more than £72,000 to help 63 community groups make improvements to their local environment
- ✓ the Community Fund awarded £176,000 to 67 charitable and community groups to support a variety of activities which aim to improve the lives of people throughout the south west

Water Force, Wessex Water's staff volunteering programme, really thrived this year – 541 colleagues, more than 22% of the whole workforce, took part, donating 3,148 hours of work to 26 different local charities. Activities included beach cleans in Dorset and Somerset, Christmas tree recycling collections for hospices, gardening support for therapy gardens, packing Christmas parcels for food banks and the Salvation Army, animal sanctuary support and work for the Bristol Avon Rivers Trust and the Dorset, Avon, Wiltshire and Somerset Wildlife Trusts.

(iii) Geneco's ChangeMakersSG Programme

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

CHANGEMAKERS SG INITIATIVES FOR FY2023

- ✓ Commemoration of Geneco as Singapore's No. 1 Residential Electricity Retailer with special edition of Plant-A-Tree and planting of additional 150 trees at Pasir Ris Park on International Day for the Preservation of Ozone Layer 2022
- ✓ Geneco held its third Plant-A-Tree event with a first-ever evening planting, and planted another 50 trees at Bedok Reservoir Park
- ✓ Over 2,930kg worth of used red packets collected and sent for recycling to Tay Paper Recycling
- ✓ 72,138 pledges received in nationwide pledge movement to support conservation of biodiversity
- ✓ S$10,000 donation to Singapore Botanic Gardens Seed Bank through NParks' Garden City Fund, to contribute to efforts for the conservation of botanical diversity through preserving the seeds of threatened plant species
- ✓ Geneco's Power Eco Add-On expanded its availability to all of its residential customers

Ethical Supply Chain

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

	2023
Procurement expenditure on local vendors	**97%**

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

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

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

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

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

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

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

SOCIETAL ENRICHMENT

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

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

RESPONSIBLE GOVERNANCE

Our commitment

Being a trusted, reliable and financially strong corporate citizen

Our approach

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

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

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

CORPORATE GOVERNANCE

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

Further details can be found in our *Corporate Governance Overview Statement* in this Annual Report, as well as our *Corporate Governance Report* for the financial year ended 30 June 2023, which is available in the *'Governance'* section of our website.

RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK

YTL Power has a sound system of risk management and internal control in place which covers not only financial controls but operational and compliance controls and risk management. Our system of risk management and internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives.

Robust risk management is essential to our business so we regularly horizon-scan to identify material risks that could impact our ability to deliver the services on which our customers depend. We have a systematic Group-wide approach under which risk management reviews progress through a hierarchy of expert colleagues, senior managers and executive directors, overseen by dedicated risk management teams at our operating subsidiaries, escalating to the Group-level risk management and internal audit functions that brief the Audit Committee.

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

ANTI-CORRUPTION

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

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

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

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

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

Training modules and other methods of communication are employed on an ongoing basis to familiarise employees with their duties and obligations in this area. Training carried out during the financial year under review focused on areas including data security and protection, cybersecurity awareness and an anti-bribery and corruption refresher course. Topics covered in the refresher course included corruption, corporate liability, gratification, whistleblowing and best practices in preventing and reporting corruption.

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

CYBERSECURITY & DATA PROTECTION

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

In Malaysia, the YTL Power Group operates under the umbrella of the YTL Group Cybersecurity Task Force which was established in 2022 to safeguard the YTL Group from cyber threats and attacks. Under the task force, the YTL Zero Trust Framework (ZTF) was established as a guide to implementing effective and efficient cybersecurity best practices.

We strongly believe that cybersecurity is a shared responsibility. As the first line of defence against any major security risk, employee awareness and training have become critical components of our cybersecurity risk management strategy. A six-part cybersecurity training module was released during the year under review, covering cyberattacks, malware, impostor scams, phishing attacks, and best practices to protect oneself and the company from cybersecurity threats for our employees in Malaysia. Spanning a diverse spectrum of topics, this module equips our teams with the knowledge to effectively counter cyber threats. Simultaneously, the Task Force has also established a centralised channel for incident reporting, allowing employees to report on potential incidents or seek clarity on the legitimacy of the content that they had received. These reporting channels are consistently communicated on the intranet to ensure employee accessibility.

The Cybersecurity Task Force maintains a proactive stance by continually analysing threat intelligence to identify potential risks that could impact the Group. In collaboration with our subsidiaries, the Task Force is also actively engaging to assess existing levels of maturity and to provide guidance on enhancing cybersecurity defence mechanisms. This collaborative approach bolsters the overall cybersecurity resilience of our entire corporate ecosystem.

YTL PowerSeraya also adopts a Zero Trust framework and, during the past financial year, successfully completed the re-certification of ISO27001 information security management. These frameworks enable the company to identify and promptly address security-related operational gaps. YTL PowerSeraya will continue to strengthen its cyber security capabilities to meet regulatory compliance, protect business information, safeguard personal data and ensure business continuity.

We adhere to the YTL Group's Global Privacy Policy which functions to safeguard personal data and the privacy of our customers, employees and other stakeholders and strong emphasis is placed across the organisation on the need to comply with the Personal Data Protection Act 2010 in Malaysia and the applicable data protection regulations and legislation in all jurisdictions where we operate. These include the Personal Data Protection Act in Singapore, the UK Data Protection Act 2018 and the General Data Protection Regulations (GDPR) which apply to European Union nationals. We will continuously monitor developments in data protection laws and industry best practices to adapt and enhance our data protection measures, ensuring the ongoing security and privacy of the data entrusted to us.

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

Going forward, we will persist in our efforts to bettering these areas, so as to nurture a robust digital culture. Our goal is to equip our employees with the necessary knowledge, skillsets and tools to safeguard the information of our customers and our organisation.

GOVERNANCE STATEMENTS & REPORTS

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

Our leadership:

- ✓ Profile of the Board of Directors
- ✓ Profile of Key Senior Management

Our governance structure:

- ✓ Corporate Governance Overview Statement
- ✓ Statement on Risk Management & Internal Control
- ✓ Audit Committee Report
- ✓ Nominating Committee Statement
- ✓ Statement of Directors' Responsibilities

MEMBERSHIPS

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

Representation via YTL Group/Board member

- ✓ British-Malaysian Chamber of Commerce
- ✓ Capital Markets Advisory Council
- ✓ Malaysian Business Council
- ✓ Malaysian Dutch Business Council
- ✓ Malaysian Employers Federation
- ✓ The Nature Conservancy's Asia Pacific Council

YTL PowerSeraya

- ✓ World Energy Council, Singapore Chapter
- ✓ Sustainable Energy Association of Singapore
- ✓ Energy Studies Institute

YTL Comms

- ✓ Consumer Forum of Malaysia
- ✓ GSM Association
- ✓ Malaysian Technical Standards Forum Bhd
- ✓ The Communications and Multimedia Content Forum of Malaysia

Wessex Water

- ✓ Aldersgate Group
- ✓ Apprenticeship Ambassador Network
- ✓ Avon Wildlife Trust
- ✓ British Water
- ✓ Careers and Enterprise Company: Cornerstone Employer and Youth Advisory Group
- ✓ Confederation of British Industry
- ✓ Energy and Utility Skills Group
- ✓ Engineering UK: Engineering Code
- ✓ Future Water Association
- ✓ Isle Utilities
- ✓ Major Energy Users' Council
- ✓ Rural England
- ✓ Somerset Wildlife Trust
- ✓ STEM Ambassador Network
- ✓ Sustainability First
- ✓ UK Water Industry Research
- ✓ Water Research Centre
- ✓ Water UK
- ✓ Wiltshire Wildlife Trust

PROFILE OF THE BOARD OF DIRECTORS

TAN SRI (SIR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 69, was appointed to the Board on 18 October 1996 as an Executive Director and was the Managing Director of the Company till 29 June 2018 when he was redesignated as Executive Chairman. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws by University of Nottingham. He was appointed the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global Real Estate Investment Trust.

He was the Managing Director of YTL Corporation Berhad and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is the Executive Chairman and Managing Director of YTL e-Solutions Berhad and also a director of YTL Industries Berhad. He is also the Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis is Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager for YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. Tan Sri Francis served as an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022. He sits on the board of trustees of YTL Foundation.

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

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

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri Francis received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy. In 2022, he was awarded the PropertyGuru Real Estate Personality of the Year for Malaysia. The award is given to individuals who have made a significant impact in the Asian real estate sector.

DATO' YEOH SEOK HONG

Malaysian, male, aged 64, was appointed to the Board on 18 October 1996 as an Executive Director. Dato' was redesignated to the position of Managing Director on 29 June 2018. He serves as Executive Director of YTL Corporation Berhad and Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom and a Fellow of the Chartered of Institute of Building (CIOB), United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry and serves as the Managing Director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm.

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

TAN SRI ISMAIL BIN ADAM

Malaysian, male, aged 73, was appointed to the Board on 25 February 2021 as an Independent Non-Executive Director. He obtained a Bachelor of Arts (Economics) Degree from University of Malaya in 1972, a Diploma in Public Administration from University of Malaya in 1975 and a Masters of Arts (Economics) from Vanderbilt University, USA in 1979. He attended the Advanced Management Programme at Harvard Business School in Boston, USA, in 2002.

Tan Sri Ismail Bin Adam joined the Administrative and Diplomatic Service (ADS) Malaysia in 1972 as an Assistant Director at the then Ministry of Trade and Industry. From March 1975, he was placed at the National Institute of Public Administration (INTAN) as a Senior Project Officer. In 1986, he was posted to the Statistics Department Malaysia as the Chief Administration Officer. In August 1990, he was appointed as the Head of Planning Unit of the Public Service Department. He was then seconded to the National Productivity Corporation (now known as the Malaysian Productivity Corporation) as the Deputy Director General in 1992 and was promoted as Director General in 1995 where he was instrumental in spearheading productivity and quality improvement initiatives in the private sector.

He returned to the Public Service Department as the Deputy Director-General of the Public Service (Development) in July 2000 after which he was appointed as the Secretary-General of the Ministry of Health in March 2004. On 16 June 2005, he was appointed as the Director-General of Public Service Malaysia until his retirement in 2010. As the Director-General of Public Service Malaysia, he sat on the boards of the Employees Provident Fund, the Retirement Fund Incorporated, the Malaysia Qualifying Agency and the Inland Revenue Board, to lend his expertise in policy development and implementation.

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

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

PROFILE OF THE BOARD OF DIRECTORS

DATUK SERI LONG SEE WOOL

Malaysian, male, aged 68, was appointed to the Board on 28 December 2018 as an Independent Non-Executive Director. He is the Chairman of Nominating Committee and Remuneration Committee. He is also a member of the Audit Committee. He graduated with a Bachelor of Arts (Hons) Degree from University of Malaya and holds a Diploma in Public Administration from the National Institute of Public Administration (INTAN).

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

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

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

DATUK LOO TOOK GEE

Malaysian, female, aged 67, was appointed to the Board on 28 December 2018 as an Independent Non-Executive Director. She is also a member of Audit Committee, Nominating Committee and Remuneration Committee. She holds a Master Degree in Policy Science from Saitama University, Japan, a postgraduate Diploma in Public Administration from National Institute of Public Administration (INTAN) and Bachelor of Arts (Honours) Degree from University of Malaya.

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

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

She is currently the Commission member of Suruhanjaya Perkhidmatan Air Negara (SPAN), the regulatory body for the water sector of Malaysia. She is also a board member of Hartalega Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

DATO' YEOH SEOK KIAN

Malaysian, male, aged 66, was appointed to the Board on 21 October 1996 as an Executive Director. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He served as Deputy Managing Director of YTL Corporation Berhad, which is listed on Main Market of Bursa Malaysia Securities Berhad and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Managing Director of these companies. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. Dato' Yeoh Seok Kian also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

PROFILE OF THE BOARD OF DIRECTORS

DATO' YEOH SOO MIN

Malaysian, female, aged 67, has been appointed to the Board on 2 June 1997 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting. She did her Articleship at Leigh Carr and Partners, London and gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is an executive director of YTL Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad. She was appointed to the Board of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT on 13 December 2022. She also sits on the board of trustees of YTL Foundation.

She is a member of The Court Of Emeritus Fellows of the Malaysian Institute of Management and Life Member of the Women's Institute of Management, Malaysia. Dato' Yeoh Soo Min sits on the board of trustees of Asia School of Business Trust Fund. She is currently an Honorary Fellow of the Governors of International Students House, London, and Sir Thomas Pope, Trinity College, University of Oxford, UK, and member of the Vice-Chancellor's Circle of University of Oxford, UK. She is also a Trustee of Yayasan Tuanku Fauziah and IJN Foundation.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, male, aged 63, was appointed to the Board on 21 October 1996 as an Executive Director. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He serves as Managing Director of Malayan Cement Berhad and Executive Director of YTL Corporation Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and Managing Director of YTL Cement Berhad. He also serves on the boards of public companies such as YTL Land & Development Berhad, YTL e-Solutions Berhad, YTL Industries Berhad and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

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

DATO' YEOH SOO KENG

Malaysian, female, aged 60, was appointed to the Board on 2 June 1997 as an Executive Director. She started her career with the group in 1986 as an engineer upon her graduation from Leeds University, United Kingdom with a Bachelor of Science (Hons) in Civil Engineering. She has held key executive positions in numerous industries and sectors in which the group has presence. She led numerous construction and infrastructure projects of strategic and national significance. She headed the group's procurement division and later headed the sales and marketing division of YTL Cement Berhad when the group entered the industry in 1992. She was subsequently appointed the director of sales and marketing for the group's mobile communications division in 2012.

She serves on the boards of YTL Corporation Berhad and Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad and YTL Cement Berhad. She is the President of the ASEAN Federation of Cement Manufacturers (AFCM).

She is actively involved in various community work at national and international levels. She serves on the board of YTL Foundation, and is the President of the Girl Guides Association Malaysia, Federal Territory of Kuala Lumpur Branch. She was elected as Chief Commissioner of the Girl Guides Association Malaysia in June 2023. She sits on the EXCO of the Girl Guides Association Malaysia. She sits on the boards of the World Scout Foundation (WSF) where she chairs the Global Network Committee. She also represents the WSF on the Finance Committee of the World Organisation of the Scout Movement (WOSM).

PROFILE OF THE BOARD OF DIRECTORS

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 58, was appointed to the Board on 21 October 1996 as an Executive Director. He graduated from King's College, University of London, with an LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. He was awarded Fellowship of King's College London in July 2014.

Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. He is also an Executive Director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He serves as an Executive Director of YTL Corporation Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. 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 is a board member of YTL Land & Development Berhad, YTL Cement Berhad and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, male, aged 69, was appointed to the Board on 18 February 1997 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad (now known as MIDF Amanah Capital Berhad), a company which has interests in, *inter alia*, discount, money broking, unit trusts, finance and fund management operations. He currently also serves on the boards of YTL Corporation Berhad which is listed on Bursa Malaysia Securities Berhad, and YTL e-Solutions Berhad.

FAIZ BIN ISHAK

Malaysian, male, aged 65, was appointed to the Board on 26 November 2015 as an Independent Non-Executive Director. He is the Chairman of Audit Committee. He is also a member of Nominating Committee and Remuneration Committee. He became a graduate member of the Association of Chartered Certified Accountants (ACCA), United Kingdom, in 1982. He was admitted to Associateship and Fellowship of ACCA in 1993 and 1999, respectively. He is also a member of the Malaysian Institute of Accountants.

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

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

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

Notes:-

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

2. **Conflict of Interest or Potential Conflict of Interest**
   YTL Corporation Berhad ("YTL Corp") and Yeoh Tiong Lay & Sons Holdings Sdn Bhd ("YTLSH") are YTL Power's immediate and penultimate holding companies, respectively, while Pintar Projek Sdn Bhd ("Pintar Projek"), the manager of YTL Hospitality REIT, is a related company (YTLSH, YTL Corp, Pintar Projek and YTL Hospitality REIT collectively, the "Entities"). Puan Sri Tan Kai Yong is also a deemed major shareholder/unitholder of the Entities and their subsidiaries and associated corporations by virtue of her beneficial interest (held through Yeoh Tiong Lay & Sons Trust Company Limited in its capacity as trustee) in Yeoh Tiong Lay & Sons Family Holdings Limited (the ultimate holding company of YTLSH, YTL Corp and YTL Power) pursuant to Section 8 of the Companies Act 2016. The Yeoh Directors are directors of YTLSH, YTL Corp and various subsidiaries and/or associated corporations of YTLSH and YTL Corp. Tan Sri (Sir) Francis Yeoh Sock Ping, Dato' Yeoh Soo Min, Dato' Yeoh Seok Kian and Dato' Mark Yeoh Seok Kah are also directors of Pintar Projek. YTLSH, YTL Corp and YTL Hospitality REIT, via their various subsidiaries, are also involved in the hotel business while various subsidiaries of YTL Corp are involved in property development and construction. Due to the family relationship with Puan Sri Tan Kai Yong and/or the aforementioned directorships, the Yeoh Directors may in this context be perceived as having interests in businesses which may potentially compete indirectly with the YTL Power Group.

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

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

PROFILE OF KEY SENIOR MANAGEMENT

COLIN FRANK SKELLETT

British, male, aged 78, was appointed to the board of directors of Wessex Water Services Limited on 1 September 1988.

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

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

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

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

JOHN NG PENG WAH

Singaporean, male, aged 64, was appointed to the board of directors and the Chief Executive Officer of YTL PowerSeraya Pte Limited ("YTL PowerSeraya") on 15 January 2019. He holds a Bachelor of Mechanical Engineering degree from Nanyang Technological Institute in Singapore, a Master of Science in Systems Engineering from National University of Singapore and a Master of Science in Material Science from Carnegie Mellon University, USA.

He joined the Public Utilities Board, which was established by the Singapore Government to be sole supplier of electricity, gas and water in Singapore, as an Engineer in 1985 and transitioned with the company following the restructuring of the Public Utilities Board in 1995, which resulted in the creation of various entities, including YTL PowerSeraya. He was promoted to Deputy General Manager (Business) in 2001 and Senior Vice President (Retail & Regulation) in 2004 before assuming the position of Chief Executive Officer in 2009. He left YTL PowerSeraya in 2013, taking on the role of Chief Executive Officer of Singapore LNG Corporation Pte Ltd.

In January 2019, he re-joined YTL PowerSeraya as the Chief Executive Officer. He is currently the Chairman of the Workplace Safety and Health Council as well as Vice-President of the Singapore National Employers Federation (SNEF). He also serves as a board member of the PUB, Employment Institute (e2i), Orchard Westwood Properties Pte Ltd and FM Global Asia Pacific Advisory Board.

LEE WING KUI

American, male, aged 56, was appointed the Chief Executive Officer of YTL Communications Sdn Bhd ("YTL Communications") on 1 November 2009 and subsequently appointed as a member of the board of directors of YTL Communications on 3 March 2011.

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

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

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

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

Notes:

None of the Key Senior Management has –

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2023

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

The YTL Power Group's corporate governance structure is a fundamental part of the Board's responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL Power Group, whilst taking into account the interests of all stakeholders.

In implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the principles and practices set out in the Malaysian Code on Corporate Governance ("Code") issued by the Securities Commission Malaysia ("SC").

An overview of the Board's compliance with the Code during the financial year ended 30 June 2023 is detailed in this statement.

The Company's Corporate Governance Report ("CG Report") for the financial year ended 30 June 2023 is available at the Company's website at www.ytlpowerinternational.com and has been released via the website of Bursa Securities at www.bursamalaysia.com in conjunction with the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Responsibilities of the Board

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

Key elements of the Board's stewardship responsibilities include:-

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
for the financial year ended 30 June 2023

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

The Managing Director and Executive Directors are accountable to the Board for the profitability and development of the YTL Power Group, consistent with the primary aim of enhancing long-term shareholder value. The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the YTL Power Group.

The roles of Executive and Non-Executive Directors are differentiated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the YTL Power Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL Power Group conducts its business.

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

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

Board Meetings & Procedures

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Power Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. Meetings of the Board's committees are conducted separately from those of the main Board to enable objective and independent discussions. The Board met 5 times during the financial year ended 30 June 2023.

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

The Directors have full and unrestricted access to all information pertaining to the YTL Power Group's business and affairs to enable them to discharge their duties. At least one week prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting.

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

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

Company Secretary

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

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

During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties. The Company Secretary carries out ongoing reviews of existing practices in comparison with any new measures introduced in the Listing Requirements and/or legislation, regulations and codes applicable to the governance of the Company and updates the Board accordingly.

Board Charter

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

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

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

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

Business Conduct, Ethics & Whistleblowing

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
for the financial year ended 30 June 2023

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

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

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

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

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

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

Sustainability Governance

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

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

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

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

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

The Board's evaluation process includes criteria for addressing and managing significant risks that may have a considerable impact on the Company, and ESG risks are incorporated into this process as they form part of the overall risk management framework. Further details are set out in the section below on *Evaluation of the Board* and in the *Nominating Committee Statement* in this Annual Report.

Composition of the Board

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

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

YTL Power is 55.57%-owned by YTL Corp, which is in turn 50.20%-owned by Yeoh Tiong Lay & Sons Holdings Sdn Bhd (as at 30 June 2023). The Executive Directors are appointed by the major shareholder in accordance with its rights under the Companies Act 2016 and the Constitution of the Company.

YTL Power is majority-owned by a single shareholder, unlike other listed companies that may have a dispersed shareholder base which enables a shareholder to exercise control despite holding a minority stake. The interests of the major shareholder are fully aligned with those of all shareholders of the Company.

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

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

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

There is currently one Independent Non-Executive Director, Encik Faiz Bin Ishak, who has served on the Board for a period exceeding the nine-year term limit as recommended in the Code. As he will have served as an Independent Non-Executive Director for a cumulative period of 12 years by 1 December 2023, Encik Faiz Bin Ishak will either be re-designated as a non-independent director or step down on or before 30 November 2023.

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

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

Board & Senior Management Appointments

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2023

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

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

Evaluation of the Board

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

The assessment exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms comprising a Board and Board Committees Effectiveness Evaluation Form, Director's Performance Evaluation Form, Director's Confirmation of Independence Form, Audit Committee Effectiveness Evaluation Form and Audit Committee Members Evaluation by Nominating Committee Form.

The results of the annual evaluation carried out form the basis of the Nominating Committee's recommendations to the Board for the re-election of Directors. As recommended in the Code, the Board will endeavour to utilise independent experts to facilitate the evaluation process, as and when appropriate. Further information on the activities of the Nominating Committee can be found in the *Nominating Committee Statement* set out in this Annual Report. This information is also available under the "*Governance*" section on the Company's website at www.ytlpowerinternational.com.

Remuneration

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

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

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

The composition of the RC is set out below:-

- Datuk Seri Long See Wool (Chairman)
- Datuk Loo Took Gee
- Encik Faiz Bin Ishak

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

During the financial year ended 30 June 2023, the RC met once, attended by all members. The meeting, which was held on 3 August 2022, assessed the remuneration of the Directors and senior management as well as fees and meeting attendance allowance (benefits) proposed for the Independent Non-Executive Directors ("INED Remuneration"), guided by the framework set out in the YTL Power Group *Remuneration Policy and Procedures for Directors and Senior Management*. The remuneration of the Directors and the INED Remuneration were benchmarked against comparable listed companies in Malaysia in terms of industry and size/market capitalisation. The RC also considered the performance of the Independent Non-Executive Directors as indicated by the evaluations conducted and responsibilities assumed by the Directors and senior management, as well as the overall performance of the Group. In view of the foregoing, the RC considered the remuneration of the Executive Directors and senior management to be reasonable.

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

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

Board Commitment

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

Presently, each Board member is required to assess (via the annual assessment process) whether he/she devotes the necessary time and energy to fulfilling his/her commitments to the Company. The Board recognises that an individual's capacity for work varies depending on various factors that weigh very much on his/her own assessment. Hence, having rigid protocols in place before any new directorships may be accepted is not practical. Each Board member is also expected to inform the Board whenever he/she is appointed as an officer of a corporation. In accordance with the Board Charter and guidance in the Code, none of the Directors are active politicians.

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

PRINCIPLE B:
EFFECTIVE AUDIT & RISK MANAGEMENT

Integrity in Financial Reporting

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

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

Audit Committee

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

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

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

The Audit Committee met 5 times during the financial year ended 30 June 2023. Full details of the composition and a summary of the work carried out by the Audit Committee during the financial year can be found in the *Audit Committee Report* set out in this

Annual Report. This information and the terms of reference of the Audit Committee are available under the "*Governance*" section on the Company's website at www.ytlpowerinternational.com.

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

The Audit Committee's *Auditor Independence Policy* guides its assessment of the suitability, objectivity and independence of the external auditors. This policy was updated during the last financial year to, amongst others, extend the cooling off period to three years (from two years previously) for appointment of a former audit partner of the external audit firm as a member of the Audit Committee, and to include additional assessment criteria based on information presented in the *Annual Transparency Report* of the external auditors, in line with the Code. None of the Audit Committee members were formerly audit partners of YTL Power's external auditors.

Details of the audit and non-audit fees paid/payable to PwC Malaysia and member firms of PricewaterhouseCoopers International Limited ("PwCIL") for the financial year ended 30 June 2023 are as follows:-

	Company RM'000	Group RM'000
Statutory audit fees paid/payable to:-		
- PwC Malaysia	846	866
- Member firms of PwCIL*	-	903
Total	**846**	**1,769**
Non-audit fees paid/payable to:-		
- PwC Malaysia	244	340
- Member firms of PwCIL*	-	663
Total	**244**	**1,003**

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

The non-audit fees incurred related mainly to advisory services on matters including pension schemes, equity and financial structuring, filing of tax returns, advisory and other general tax services and regulatory audits in the jurisdictions in which the Group operates.

Risk Management & Internal Control

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

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

Internal Audit

YTL Power's internal audit function is carried out by the Internal Audit department within the YTL Corp Group ("YTLIA"), which reports directly to the Audit Committee. The Head of YTLIA, Mr Choong Hon Chow, is a registered member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants (ACCA) UK. He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experience covering many areas of diversified commercial businesses and activities. He has a total of 40 years of internal and external audit experience.

During the financial year ended 30 June 2023, YTLIA comprised 9 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

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

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

- Developing the annual internal audit plan and proposing this plan to the Audit Committee;
- Conducting scheduled internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and recommending improvements where necessary;

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

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

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

Communication with Shareholders & Other Stakeholders

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

The Board ensures that shareholders are kept well-informed of any major development of the YTL Power Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites. Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are communicated via the Company's corporate website at www.ytlpowerinternational.com and the YTL Group's community website at www.ytlcommunity.com, in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Executive Chairman, Managing Director and/or the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL Power Group's financial results but to provide updates on strategies and new developments to ensure better understanding of the YTL Power Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL Power Group's performance and major development programs.

Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, the information that is price-sensitive or that may be regarded as undisclosed material information about the YTL Power Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL Power Group, the resolutions being proposed and the business of the YTL Power Group in general at every general meeting of the Company.

The Notice of the AGM and a circular to shareholders in relation to the renewal of the Company's share buy-back and recurrent related party transactions mandates, if applicable, are sent to shareholders at least 28 days prior to the AGM in accordance with the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016, which require the Notice of AGM to be sent 21 days prior to the AGM. This provides shareholders with sufficient time to review the YTL Power Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed to make informed voting decisions at the AGM.

The Executive Chairman, Managing Director and Executive Directors take the opportunity to present a comprehensive review of the financial and non-financial performance of the YTL Power Group, as well as progress and long-term strategies. The Directors provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL Power Group's business operations, strategy and goals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2023

The Directors are mindful of the recommendation under the Code that all directors must attend general meetings and fully appreciate the need for their attendance at all such meetings. All Directors attended the Company's 26th AGM held on 6 December 2022, save for Dato' Sri Michael Yeoh Sock Siong.

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

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

The rights of shareholders, including the right to demand a poll, are found in the Constitution of the Company. At the 26th AGM of the Company, held on 6 December 2022, the resolutions put forth for shareholders' approval were voted on by way of a poll.

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

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

The Company endeavours to post the minutes of general meetings on the Company's website under the "*Meetings*" page at https://www.ytlpowerinternational.com/meetings no later than 30 business days after the general meeting.

Due to the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 26th AGM of the Company was conducted as a fully virtual meeting through live streaming and online remote participation and voting using the TIIH Online System at https://tiih.com.my provided by the appointed share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn Bhd.

The forthcoming 27th AGM will also be held on a fully virtual basis, the details of which can be found in the *Notice of Annual General Meeting* in this Annual Report.

This statement and the CG Report were approved by the Board on 27 September 2023.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2023

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

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

This statement sets out an overview of YTL Power's compliance with the applicable provisions of the Code during the financial year ended 30 June 2023.

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of risk management and internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL Power Group, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

However, the Board recognises that reviewing the YTL Power Group's system of risk management and internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

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

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

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2023

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

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

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

- **Internal Audit Function:** The YTL Power Group's internal audit function is carried out by the Internal Audit department within the YTL Corporation Berhad Group ("YTLIA"), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by management, and reports directly to the Audit Committee. A description of the work of the internal audit function can be found in the *Audit Committee Report*, whilst additional details about the personnel and resources of YTLIA are contained in the *Corporate Governance Overview Statement* set out in this Annual Report. This information is also available under the "*Governance*" section on the Company's website at www.ytlpowerinternational.com.

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

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

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

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

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

- **Executive Board/Senior Management Meetings**: The YTL Power Group conducts regular meetings of the executive board/senior management which comprise the Executive Chairman/Managing Director/Executive Directors and divisional heads/senior managers. These meetings are convened to deliberate and decide upon urgent company matters and to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL Power Group.

They also serve to ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. Decisions can then be effectively communicated to all relevant staff levels in a timely manner. From these meetings, the executive board/management is able to identify significant operational and financial risks of the business units concerned.

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

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

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

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

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

The YTL Power Group's activities expose it to a variety of financial risks, including market risk (comprising foreign currency exchange risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The YTL Power Group's overall financial risk management objective is to ensure that the YTL Power Group creates value for its shareholders. The YTL Power Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Financial risk management is carried out through regular risk review analysis, internal control systems and adherence to the YTL Power Group's financial risk management policies. The Board reviews these risks and approves the appropriate control environment framework. Further discussion and details on the YTL Power Group's risk management is contained in the *Management Discussion & Analysis* in this Annual Report.

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2023

effectively to the constantly changing business environment in order to protect and enhance stakeholders' interests and shareholder value.

REVIEW BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of the Listing Requirements, the external auditors, PricewaterhouseCoopers PLT, have reviewed this Statement on Risk Management & Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. Based on their review, they have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in reviewing the adequacy and integrity of internal control and risk management of the YTL Power Group. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the YTL Power Group.

CONCLUSION

The Board is of the view that the system of risk management and internal control being instituted throughout the YTL Power Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL Power Group's operations and that risks are at an acceptable level throughout its businesses. The Managing Director is primarily responsible for the financial management of YTL Power and has provided assurance to the Board that the YTL Power Group's risk management and internal control system is operating adequately and effectively. Reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and internal control, so as to safeguard shareholders' investments and the YTL Power Group's assets.

This statement was approved by the Board on 24 August 2023.

AUDIT COMMITTEE REPORT

COMPOSITION

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

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

Datuk Loo Took Gee
(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

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

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Faiz Bin Ishak	5
Datuk Seri Long See Wool	5
Datuk Loo Took Gee	5

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2023 in the discharge of its functions and duties:-

1. **Overseeing Financial Reporting**

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

   - Quarterly financial results for the fourth quarter of financial year ended 30 June 2022, and the annual audited financial statements for the financial year ended 30 June 2022 at the Audit Committee meetings held on 24 August 2022 and 28 September 2022, respectively;
   - First, second and third quarters of the quarterly results for the financial year ended 30 June 2023 at the Audit Committee meetings held on 23 November 2022, 22 February 2023 and 24 May 2023 respectively.

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

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

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

2. External Audit

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

- their status report, and final report on the audit of the financial statements for financial year ended 30 June 2022 setting out their comments and conclusions on the significant audit and accounting matters highlighted, including management's judgements, estimates and/or assessments made, and adequacy of disclosures in the financial statements. The review also covered the report on the IT General Controls review conducted on YTL Communications Sdn Bhd and an update on the prior financial year's findings, and internal control matters highlighted by the external auditors that arose during the course of their audit;
- the audit plan for the financial year ended 30 June 2023 outlining, amongst others, their scope of work, areas of audit emphasis, multi-location audit, and development in laws and regulations affecting financial reporting and the roles and responsibilities of directors/audit committee members and auditors, as well as their latest transparency report for the financial year ended 30 June 2022;

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

(c) Had discussions with PwC thrice on 24 August 2022, 28 September 2022 and 24 May 2023, without the presence of management, to apprise on matters in regard to the audit and financial statements;

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

(e) Assessed performance of PwC for the financial year ended 30 June 2022 and recommended to the Board of Directors that shareholders' approval be sought for PwC's re-appointment at the annual general meeting held on 6 December 2022.

3. Internal Audit

(a) Reviewed with the internal auditors the internal audit reports (including follow-up review reports), the audit findings and recommendations, management's responses and/or actions taken thereto and ensured that material findings were satisfactorily addressed by management. Also took note of the salient findings set out in the internal audit reports reviewed by the audit committees of Wessex Water Limited group and YTL PowerSeraya Pte. Limited;

(b) Reviewed and adopted the internal audit risk analysis reports for 2022. Internal audit would leverage on the Group's risk analysis to focus on the business processes and relevant areas that address the key risks identified. Risk management and internal control report of the significant associated corporation, P.T. Jawa Power was also submitted to the Audit Committee;

(c) Reviewed the Anti-Bribery and Corruption Risk Assessment reports to effectively managing the risks identified within the Group;

(d) Reviewed and adopted the risk-based internal audit plan for financial year ending 30 June 2023 to ensure sufficient scope and coverage of activities of the Company and the Group;

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

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

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

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

(c) Reviewed the circular to shareholders dated 31 October 2022 in relation to the renewal of shareholder mandate for RRPT, prior to its recommendation to the Board of Directors for approval.

5. Annual Report

Reviewed the Audit Committee Report, and Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2022 Annual Report.

6. Employees Share Option Scheme ("ESOS")

Reviewed the verification of share options allocation to the eligible employees approved by the options committee on 23 May 2022 and concurred that the allocation under the ESOS complied with the criteria set out in the By-Laws of the ESOS.

INTERNAL AUDIT FUNCTION

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

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

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

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

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

2. Conducted scheduled and special internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and recommended improvements where necessary.

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

4. Presented significant audit findings and areas for improvements raised by the IA to the Audit Committee for consideration on the recommended corrective measures together with the management's response.

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

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

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

Costs amounting to RM1,926,255 were incurred in relation to the internal audit function for the financial year ended 30 June 2023.

NOMINATING COMMITTEE STATEMENT

NOMINATING COMMITTEE ("NC")

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

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

Members of the NC are as follows:-

- Datuk Seri Long See Wool *(Chairman)*
- Datuk Loo Took Gee
- Encik Faiz Bin Ishak

The NC met thrice during financial year ended 30 June 2023, attended by all members.

BOARD NOMINATION AND ELECTION PROCESS AND CRITERIA USED

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

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

i. Review of Directors standing for re-election

In June 2023, based on the schedule of retirement by rotation and in conjunction with the annual evaluation exercise, the NC considered the eligibility of Tan Sri (Sir) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah ("Retiring Directors"), who are due to retire by rotation pursuant to Article 86 of the Company's Constitution at the Twenty-Seventh Annual General Meeting ("AGM") of the Company, to stand for re-election.

As the Retiring Directors are all the executive directors, with wealth of experience, knowledge and insights of the business, operations and growth strategies of the YTL Power Group, the NC was satisfied that they continue to perform and contribute effectively as indicated by the performance evaluation results, their fitness and propriety as declared in the 'Declaration of Fit and Properness by Director' form, in particular their character and integrity, experience and competence, as well as their time commitment to their roles and responsibilities and as such resolved to recommend to the Board that they stand for re-election.

ii. Annual evaluation

In May 2023, the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and individual and/or Independent Directors was carried out. The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

Besides composition and diversity, Board effectiveness evaluation covered the areas of quality of governance and decision making, including ability in addressing and managing the Company's material sustainability risk and opportunities, while Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

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

Results of the evaluations indicated no evident weaknesses or shortcomings which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2023 were satisfactory.

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

In terms of the tenure of the INED, the NC took note that Encik Faiz Bin Ishak will reach the 12 years' tenure limit at the end of 30 November 2023. He will have to step down from the Board by 30 November 2023 or redesignated as a non-independent director on 1 December 2023.

iii. Review of the NC Statement for financial year ended 30 June 2022

The NC Statement was reviewed by the NC prior to its recommendation to the Board for inclusion in 2022 Annual Report.

iv. Review of the evaluation criteria in the evaluation forms

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

POLICY ON BOARD COMPOSITION

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

INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

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

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

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

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

During the financial year ended 30 June 2023, the following seven in-house training programmes were organised for the Directors:-

- Cybersecurity Training: Imposter Among Us;
- Cybersecurity Training: Cyberattacks;
- Cybersecurity Training: Best Practices;
- YTL LEAD Conference 2022;
- Anti-Bribery & Corruption (ABC) Refresher Course;
- Directors Guide to Machine Learning and Artificial Intelligence;
- Sustainable Finance.

NOMINATING COMMITTEE STATEMENT

All the Directors have undergone training programmes during the financial year ended 30 June 2023. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
■ **Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability**	
Asia School of Business: Corporate Governance & Remuneration Practices for the ESG World (6 September 2022)	Datuk Loo Took Gee
CKM Advisory Sdn Bhd: Key Amendments to Listing Requirements 2022 (20 September 2022)	Faiz Bin Ishak
Sustainable Fitch Events: ESG Outlook Conference 2023 APAC (1 November 2022)	Dato' Yeoh Soo Min
CNBC's Sustainable Future Forum 2022 (4 November 2022)	Datuk Loo Took Gee
The Securities Commission Malaysia's Audit Oversight Board: Conversation with Audit Committees – "How the Audit Committees and Auditors can work together towards reliable audited financial statements" (Session 1) (17 November 2022)	Faiz Bin Ishak
World Bank Webinar: The Global Green Finance Leadership Program – Scaling-Up Sustainable Finance in Southeast Asia (30 November 2022)	Datuk Loo Took Gee
Malaysian Institute of Management ("MIM") Crucial Conversations Webinar: Accelerating Sustainability for Corporate Malaysia – Building a Better Future by Unlocking ESG Opportunities (7 December 2022)	Dato' Yeoh Soo Min
Bursa Malaysia – ICDM: Advocacy Dialogue: Enhanced Sustainability Reporting Framework (12 December 2022)	Datuk Loo Took Gee
MIM Hybrid Conference: Building Towards a Corrupt-Free Nation – Fighting Corruption and Embracing a Culture of Compliance for Good Governance (15 December 2022)	Dato' Yeoh Soo Min
The Malaysian Water Association ("MWA") Webinar: Efficient and Sustainable Water Utility Company – How Wessex Water do it (21 February 2023)	Datuk Loo Took Gee
Anti-Bribery & Corruption (ABC) Refresher Course (March 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Tan Sri Ismail Bin Adam Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Invest Malaysia Webinar: Reshaping Malaysia's Narrative Series 1: Strengthening Resilience & Sustaining Growth (8 March 2023)	Dato' Yeoh Soo Min

Seminars/Conferences/Training	Attended by
■ **Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability (Cont'd.)**	
Institute of Singapore Chartered Accountants/SAC Capital: Sustainability E-Training for Directors (17 May 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping
Sustainable Finance (31 May 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Soo Min Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
■ **Cybersecurity/Technology**	
Cybersecurity Training – Imposter Among Us (July 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Tan Sri Ismail Bin Adam Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Cybersecurity Training – Cyberattacks (September 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Cybersecurity Training – Best Practices (October 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Tan Sri Ismail Bin Adam Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Directors Guide to Machine Learning and Artificial Intelligence (3 April 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Hong Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Soo Min Dato' Yeoh Seok Kian Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak

NOMINATING COMMITTEE STATEMENT

Seminars/Conferences/Training	Attended by
■ Leadership and Business Management	
Leaps of Knowledge – Recreation (8 October 2022)	Dato' Yeoh Soo Min
World Global Airport Development Conference (2-4 November 2022)	Datuk Seri Long See Wool
YTL LEAD Conference 2022 (9 November 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Hong Tan Sri Ismail Bin Adam Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Soo Min Dato' Yeoh Seok Kian Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak
Webinar by DBS Singapore: Quality amidst Uncertainties (21 November 2022)	Dato' Yeoh Soo Min
Corporate Treasurer's Treasury Week: Cash Supply Chain & Digitalisation Strategies (23 November 2022)	Dato' Yeoh Soo Min
Asia Business Council: 2023 Spring Forum – The Changing Landscape of Asian Business and Innovation (16-18 March 2023)	Dato' Yeoh Seok Hong
MWA Conference and Exhibition 2023: Strategic Asset Management for Water and Wastewater Utilities (14 & 15 June 2023)	Datuk Loo Took Gee
■ Finance/Economy/Capital Market/Investment	
Webinar by DBS Singapore: Second Half 2022 Market Outlook – Rising Above Inflation (5 July 2022)	Dato' Yeoh Soo Min
Fitch Ratings Events – Islamic Finance in a Volatile World (25 August 2022)	Dato' Yeoh Soo Min
Malaysian Economics Association: Consequences of Russia's Invasion and Sanctions (9 September 2022)	Datuk Loo Took Gee
East Asia and Pacific Chief Economist Seminar Series: Designing Fiscal Policy for a Post-COVID World (1 November 2022)	Datuk Loo Took Gee
40th JAMECA-MAJECA Joint Conference: Deepening Economic Relations between Japan and Malaysia through Multi-Layered Co-Creation (25 May 2023)	Dato' Yeoh Seok Kian

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

In preparing the financial statements for the financial year ended 30 June 2023, the Directors have:-

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

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

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

GRI CONTENT INDEX

Statement of use	YTL Power International Berhad has reported the information cited in this GRI content index for the period from 1 July 2022 to 30 June 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page
GRI 2: General Disclosures 2021		
2-1	Organizational details	2, 36
2-2	Entities included in the organization's sustainability reporting	32
2-3	Reporting period, frequency and contact point	32
2-4	Restatements of information	32
2-5	External assurance	32
2-6	Activities, value chain and other business relationships	10-28; 36
2-7	Employees	36; 58
2-9	Governance structure and composition	37-38; 72-77
2-10	Nomination and selection of the highest governance body	83-84; 96-97
2-11	Chair of the highest governance body	37-38; 72
2-12	Role of the highest governance body in overseeing the management of impacts	37-38; 82
2-13	Delegation of responsibility for managing impacts	37-38; 82
2-14	Role of the highest governance body in sustainability reporting	37-38; 82
2-15	Conflicts of interest	37; 77; 80-81
2-16	Communication of critical concerns	37-39; 81
2-17	Collective knowledge of the highest governance body	98-100
2-18	Evaluation of the performance of the highest governance body	84; 96-97
2-19	Remuneration policies	37; 84-85
2-20	Process to determine remuneration	84-85
2-22	Statement on sustainable development strategy	33-34
2-23	Policy commitments	37
2-24	Embedding policy commitments	37; 81-82
2-26	Mechanisms for seeking advice and raising concerns	37-39; 81-82
2-28	Membership associations	71
2-29	Approach to stakeholder engagement	39
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	38-40
3-2	List of material topics	40
Economic Performance		
GRI 3: Material Topics 2021		
3-3	Management of material topics	10-28; 33; 43
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	14-15; 36
201-3	Defined benefit plan obligations and other retirement plans	246-255

GRI Standard	Disclosure	Page
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GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43
GRI 202: Market Presence 2016		
202-2	Proportion of senior management hired from the local community	58
Procurement Practices		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43; 67-68
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	67
Anti-Corruption		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43; 69-70
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	69-70; 82
Energy		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 42; 44-47; 50-51
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	50
302-4	Reduction of energy consumption	50-51
Water & Effluents		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 42; 44; 48-50

GRI Standard	Disclosure	Page
GRI 303: Water and Effluents 2018		
303-3	Water withdrawal	48
303-4	Water discharge	48
303-5	Water consumption	48
Biodiversity		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 42; 44; 52
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	52
304-3	Habitats protected or restored	52
Emissions		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 42; 44-47
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	46
305-2	Energy indirect (Scope 2) GHG emissions	46
305-5	Reduction of GHG emissions	46-47
Waste		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 42; 44; 51-52
GRI 306: Waste 2020		
306-3	Waste generated	51
306-4	Waste diverted from disposal	51
306-5	Waste directed to disposal	51

GRI CONTENT INDEX

GRI Standard	Disclosure	Page
Employment		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43; 55-59
401-3	Parental leave	58
Health & Safety		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43; 57
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	57
403-2	Hazard identification, risk assessment, and incident investigation	57
403-4	Worker participation, consultation, and communication on occupational health and safety	57
403-5	Worker training on occupational health and safety	57
Training		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43; 55-56
GRI 404: Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	55-56
Diversity & Equality		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43; 58-59
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	58-59; 72-76

GRI Standard	Disclosure	Page
Local Communities		
GRI 3: Material Topics 2021		
3-3	Management of material topics	34; 43; 60-66
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	60-66
Customer Privacy		
GRI 3: Material Topics 2021		
3-3	Management of material topics	43; 70-71
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	71

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

for the financial year ended 30 June 2023

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements"), details of the Recurrent Related Party Transactions ("RRPT") conducted during the financial year ended 30 June 2023 pursuant to shareholder mandates obtained are as follows:

Related Party	Corporations in the YTL Power Group involved in the Recurrent Related Party Transactions	Interested Related Party	Nature of Transactions	Value of Transactions RM'000
YTL Corporation Group	YTL Power Group	YTLSFH [1][2][3] YTLSH [1][2][3] YTL Corporation [1][2][3] Puan Sri Tan Kai Yong [1][2][3][4] YTLSTC [1][2] Yeoh Siblings [3][5]	Provision of operation and maintenance services by Related Party; Provision of hotel, hotel management and other related services by Related Party; Provision of parking facilities by Related Party; Rental of office premises at Menara ING Kuala Lumpur and procurement of related services from Related Party; Provision of telecommunications and/or broadband services, equipment and/or related services to Related Party; Procurement of construction and related services, and building infrastructure/equipment from Related Party; Rental of premises at Lot 10 Shopping Centre, and 183, Jalan Bukit Bintang, Kuala Lumpur, and procurement of related services from Related Party; Rental of, or charges paid/payable for use of, vacant land, rooftop space, office, residential premises and/or other premises; Provision of water sampling test to Related Party; Provision or procurement of information technology hardware and software, ICT system development and/or maintenance and related services by Related Party; Provision of info screen advertising, promotions, graphic design and/or digital imaging and other related services and event management, technical support, equipment rental etc. by Related Party; Purchase from Related Party of spare, replacement parts, plant, equipment and consumables used in connection with the operation and maintenance of power plants.	538,228

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

for the financial year ended 30 June 2023

Definitions:

YTL Power	-	YTL Power International Berhad
YTL Power Group	-	YTL Power and its subsidiaries
Major Shareholder	-	As defined in Paragraph 1.01 of the Listing Requirements and for purpose of the RRPT, meaning set out in Chapter 10 of the Listing Requirements.
Person Connected	-	As defined in Paragraph 1.01 of the Listing Requirements.
ICT	-	Information, Communications & Technology
Puan Sri Tan Kai Yong	-	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, a Major Shareholder (by virtue of her beneficial interests (held through YTLSTC as trustee) in the shares of YTLSFH) of YTL Power Group and YTL Corporation Group
YTLSFH	-	Yeoh Tiong Lay & Sons Family Holdings Limited, the ultimate holding company of YTL Power and YTL Corporation
YTLSH	-	Yeoh Tiong Lay & Sons Holdings Sdn Bhd, the penultimate holding company of YTL Power and YTL Corporation
YTL Corporation	-	YTL Corporation Berhad, the immediate holding company of YTL Power
YTL Corporation Group	-	YTL Corporation and its subsidiaries (excluding listed subsidiaries and their subsidiaries, joint ventures and associated companies), joint ventures and associated companies
YTLSTC	-	Yeoh Tiong Lay & Sons Trust Company Limited which holds, in its capacity as trustee, the entire issued shares in YTLSFH
Yeoh Siblings	-	Tan Sri (Sir) Francis Yeoh Sock Ping, Dato' Yeoh Seok Hong, Dato' Yeoh Soo Min, Dato' Yeoh Seok Kian, Dato' Sri Michael Yeoh Sock Siong, Dato' Mark Yeoh Seok Kah and Dato' Yeoh Soo Keng, collectively

Footnotes:

(1) Puan Sri Tan Kai Yong, YTLSTC, YTLSFH, YTLSH and YTL Corporation are Major Shareholders of YTL Power Group.

(2) Puan Sri Tan Kai Yong, YTLSTC, YTLSFH and YTLSH are also Major Shareholders of YTL Corporation Group while YTL Corporation is a Major Shareholder of its subsidiaries, joint ventures and associated companies.

(3) YTLSFH, YTLSH and YTL Corporation are Persons Connected with Puan Sri Tan Kai Yong and the Yeoh Siblings.

(4) Puan Sri Tan Kai Yong is also a Director of YTLSH, YTLSFH and YTLSTC.

(5) The Yeoh Siblings are the children of Puan Sri Tan Kai Yong. They are also Directors of YTL Corporation and YTLSH. Except for Dato' Yeoh Soo Min and Dato' Yeoh Soo Keng, the Yeoh Siblings are also Directors of YTLSFH and YTLSTC.

ANALYSIS OF SHAREHOLDINGS

as at 21 September 2023

Class of shares : Ordinary Shares

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%
Less than 100	7,529	18.28	278,906	0.00
100 - 1,000	4,581	11.12	1,939,089	0.02
1,001 - 10,000	19,668	47.76	73,924,065	0.92
10,001 - 100,000	7,853	19.07	221,011,639	2.73
100,001 to less than 5% of issued shares	1,549	3.76	2,540,147,577	31.35
5% and above of issued shares	4	0.01	5,264,853,031	64.98
Total	**41,184**	**100.00**	**8,102,154,307**	**100.00**

Excluding 56,054,431 shares bought back and retained by the Company as treasury shares.

THIRTY LARGEST SHAREHOLDERS

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

	Name	No. of Shares	%
1	YTL Corporation Berhad	3,366,987,805	41.56
2	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	770,713,114	9.51
3	YTL Corporation Berhad	601,214,615	7.42
4	Cornerstone Crest Sdn Bhd	525,937,497	6.49
5	HSBC Nominees (Asing) Sdn Bhd - Credit Suisse (Hong Kong) Limited	253,157,209	3.12
6	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	204,923,218	2.53
7	Dato' Yeoh Seok Hong	111,736,559	1.38
8	Seri Yakin Sdn Bhd	76,747,000	0.95
9	Amanahraya Trustees Berhad - Amanah Saham Malaysia	64,890,200	0.80
10	Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	52,918,500	0.65
11	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Bank Berhad (EDP 2)	42,729,500	0.53
12	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (NORGES BANK 19)	39,039,199	0.48
13	Citigroup Nominees (Asing) Sdn Bhd - UBS AG	35,479,867	0.44
14	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	33,582,600	0.41
15	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	32,833,400	0.41
16	HSBC Nominees (Asing) Sdn Bhd - SIX SIS for Bank Sarasin CIE	31,570,738	0.39

ANALYSIS OF SHAREHOLDINGS
as at 21 September 2023

	Name	No. of Shares	%
17	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	31,105,000	0.38
18	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	25,290,859	0.31
19	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	24,466,800	0.30
20	Dato' Yeoh Seok Hong	23,701,610	0.29
21	HSBC Nominees (Asing) Sdn Bhd - SBL Exempt An for J. P. Morgan Securities Plc	22,842,749	0.28
22	HSBC Nominees (Asing) Sdn Bhd - J. P. Morgan Securities Plc	21,732,766	0.27
23	Dato' Yeoh Soo Keng	21,500,049	0.27
24	HSBC Nominees (Asing) Sdn Bhd - Morgan Stanley & Co. International Plc (FIRM A/C)	21,273,872	0.26
25	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (NOMURA)	20,000,000	0.25
26	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	19,482,400	0.24
27	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company (WEST CLT OD67)	19,273,800	0.24
28	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (F TEMPLETON)	19,193,300	0.24
29	Yeoh Yew Choo	18,317,500	0.23
30	Dato' Yeoh Soo Min	18,274,657	0.23
	Total	**6,550,916,383**	**80.86**

SUBSTANTIAL SHAREHOLDERS
(as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Cornerstone Crest Sdn Bhd	525,937,497	6.49	-	-
YTL Corporation Berhad	3,976,650,440	49.08	525,975,452[(1)]	6.49
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	802,901,078	9.91	4,502,625,892[(2)]	55.57
Yeoh Tiong Lay & Sons Family Holdings Limited	-	-	5,305,526,970[(3)]	65.48
Yeoh Tiong Lay & Sons Trust Company Limited	-	-	5,305,526,970[(4)]	65.48
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	25,290,859	0.31	5,305,526,970[(5)]	65.48

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

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

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

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

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

STATEMENT OF DIRECTORS' INTERESTS

in the Company and Related Corporations as at 21 September 2023

THE COMPANY

YTL Power International Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	0.27	862,153[1]	0.01
Dato' Yeoh Seok Hong	135,438,169	1.67	5,435,235[1]	0.07
Datuk Seri Long See Wool	-	-	50,168[1]	*
Dato' Yeoh Seok Kian	11,276,298	0.14	14,416,426[1]	0.18
Dato' Yeoh Soo Min	19,166,325	0.24	4,980,017[1][2]	0.06
Dato' Sri Michael Yeoh Sock Siong	-	-	18,112,912[1][3]	0.22
Dato' Yeoh Soo Keng	21,500,049	0.27	197,431[1]	*
Dato' Mark Yeoh Seok Kah	12,299,200	0.15	1,563,315[1]	0.02
Syed Abdullah Bin Syed Abd. Kadir	2,581,072	0.03	596[1]	*

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

STATEMENT OF DIRECTORS' INTERESTS

in the Company and Related Corporations as at 21 September 2023

HOLDING COMPANY

YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	150,344,946	1.37	1,016,665(1)	0.01
Dato' Yeoh Seok Hong	54,173,305	0.49	24,821,442(1)	0.23
Datuk Seri Long See Wool	–	–	303,479(1)	*
Dato' Yeoh Seok Kian	58,508,722	0.53	13,895,816(1)	0.13
Dato' Yeoh Soo Min	58,386,499	0.53	2,495,456(1)(2)	0.02
Dato' Sri Michael Yeoh Sock Siong	–	–	77,595,817(1)(3)	0.71
Dato' Yeoh Soo Keng	60,000,065	0.55	799,157(1)	0.01
Dato' Mark Yeoh Seok Kah	23,232,200	0.21	4,508,586(1)	0.04
Syed Abdullah Bin Syed Abd. Kadir	9,911,955	0.09	20,701(1)	*

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

RELATED COMPANIES

Malayan Cement Berhad

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

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	–
Dato' Yeoh Seok Hong	15,000,000	–
Dato' Yeoh Seok Kian	15,000,000	–
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Dato' Yeoh Soo Keng	15,000,000	–

STATEMENT OF DIRECTORS' INTERESTS
in the Company and Related Corporations as at 21 September 2023

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Samui Hotel 2 Co. Ltd

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

* *Negligible*

(1) *Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 59(11)(c) of the Companies Act, 2016.*
(2) *Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*
(3) *Deemed interests by virtue of interests held by Hasil Mayang Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

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

LIST OF PROPERTIES

as at 30 June 2023

Location	Tenure	Land Area (sq. m.)	Description and Existing Use	Built up Area (sq. m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2023 RM'000	Date of Acquisition
Filton Airfield, Filton, Bristol	Freehold	1,416,400	Housing & Arena Development	-	-	-	701,361	1.12.2015
Avonmouth WRC, Kings Weston Lane, Avonmouth, Bristol BS11 0YS	Freehold	394,600	Water Recycling Centre	-	-	-	471,887	21.5.2002
Kulai Young Estate, Kulai, Johor	Freehold	6,639,760	Land held for development of solar power facility and data centers	-	-	-	429,759	28.9.2021
Durleigh Water Treatment Works, Enmore Road, Durleigh, Bridgwater, TA5 2AW	Freehold	5,155	Water Treatment Works	-	-	-	342,054	21.5.2002
Ham Lane WRC, Creech St. Michael, Taunton, Somerset TA3 5NU	Freehold	120,000	Water Recycling Centre	-	-	-	279,239	21.5.2002
Johan de Wittlaan 30, The Hague, 2517 JR Netherlands	Freehold	7,648	10-storey hotel building	14,124	5	-	223,796	28.6.2018
Cirebon, West Java, Indonesia	Freehold	2,589,622	Land held for future project development	-	-	-	221,311	15.7.2015
Poole WRC, Cabot Lane, Poole, Dorset, BH17 7BX	Freehold	91,800	Water Recycling Centre	-	-	-	212,309	21.5.2002
W-S-Mare WRC, Accommodation Road, Bleadon, Weston Super Mare, BS24 0AP	Freehold	157,500	Water Recycling Centre	-	-	-	200,347	21.5.2002
Trowbridge WRC, Bradford Road, Trowbridge, West Wilts, BA14 9 AX	Freehold	60,000	Water Recycling Centre	-	-	-	198,009	21.5.2002

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the financial year ended 30 June 2023

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of administrative and technical support services. The principal activities and information of the subsidiaries are set out in Note 14 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	**2,032,587**	**261,318**
Attributable to:		
- Owners of the parent	**2,027,991**	**261,318**
- Non-controlling interests	**4,596**	**-**
	2,032,587	**261,318**

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2022:	
- Second interim dividend of 2.5 sen per ordinary share paid on 29 November 2022	**202,554**
In respect of the financial year ended 30 June 2023:	
- First interim dividend of 2.5 sen per ordinary share paid on 28 June 2023	**202,554**

On 24 August 2023, the Board of Directors declared a second interim dividend of 3.5 sen per ordinary share for the financial year ended 30 June 2023. The book closure and payment dates in respect of the aforesaid dividend are 10 November 2023 and 29 November 2023, respectively.

The Board of Directors does not recommend a final dividend for the financial year ended 30 June 2023.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

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

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Twenty-Sixth Annual General Meeting held on 6 December 2022. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

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

EMPLOYEES' SHARE OPTION SCHEME 2021 ("ESOS 2021")

The Employees' Share Option Scheme 2021 ("ESOS 2021") for employees and Directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation is governed by the By-Laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 1 December 2020. The scheme which is in force for a period of ten (10) years was implemented on 6 January 2021 and will expire on 5 January 2031.

The salient features and terms of the ESOS 2021 are set out in Note 24(a) to the financial statements.

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

As at 30 June 2023, options for 13.25% of the shares available under the ESOS 2021 were granted to Directors and senior management.

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

Since the date of last report, no options have been granted under the ESOS 2021.

DIRECTORS

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

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

DIRECTORS' REPORT

For the financial year ended 30 June 2023

DIRECTORS OF SUBSIDIARIES

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

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of the Directors who held office at the end of the financial year in shares of the Company and its related corporations are as follows:

	Number of ordinary shares			
The Company	**At 1 July 2022**	**Acquired**	**Disposed**	**At 30 June 2023**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	-	-	**21,870,694**
Dato' Yeoh Seok Hong	135,438,169	-	-	**135,438,169**
Dato' Yeoh Seok Kian	11,276,298	-	-	**11,276,298**
Dato' Yeoh Soo Min	19,166,325	-	-	**19,166,325**
Dato' Yeoh Soo Keng	17,042,049	4,458,000	-	**21,500,049**
Dato' Mark Yeoh Seok Kah	12,299,200	-	-	**12,299,200**
Syed Abdullah Bin Syed Abd. Kadir	2,581,072	-	-	**2,581,072**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	862,153(1)	-	-	**862,153(1)**
Dato' Yeoh Seok Hong	5,435,235(1)	-	-	**5,435,235(1)**
Datuk Seri Long See Wool	50,168(1)	-	-	**50,168(1)**
Dato' Yeoh Seok Kian	14,416,426(1)	-	-	**14,416,426(1)**
Dato' Yeoh Soo Min	4,980,017(1)(2)	-	-	**4,980,017(1)(2)**
Dato' Sri Michael Yeoh Sock Siong	18,112,912(1)(3)	-	-	**18,112,912(1)(3)**
Dato' Yeoh Soo Keng	197,431(1)	-	-	**197,431(1)**
Dato' Mark Yeoh Seok Kah	1,563,315(1)	-	-	**1,563,315(1)**
Syed Abdullah Bin Syed Abd. Kadir	596(1)	-	-	**596(1)**

DIRECTORS' INTERESTS (CONTINUED)

The Company	Number of share options over ordinary shares At 1 July 2022	Granted	Exercised	At 30 June 2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-	-	**15,000,000**
Dato' Yeoh Seok Hong	15,000,000	-	-	**15,000,000**
Datuk Seri Long See Wool*	1,000,000	-	-	**1,000,000**
Datuk Loo Took Gee*	1,000,000	-	-	**1,000,000**
Dato' Yeoh Seok Kian	15,000,000	-	-	**15,000,000**
Dato' Yeoh Soo Min	15,000,000	-	-	**15,000,000**
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	-	**15,000,000**
Dato' Yeoh Soo Keng	15,000,000	-	-	**15,000,000**
Dato' Mark Yeoh Seok Kah	15,000,000	-	-	**15,000,000**
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	-	-	**1,000,000**
Faiz Bin Ishak*	1,000,000	-	-	**1,000,000**
Deemed interest				
Dato' Yeoh Seok Hong	9,000,000(1)	-	-	**9,000,000(1)**

* *Non-Executive Directors*

Immediate Holding Company YTL Corporation Berhad	Number of ordinary shares At 1 July 2022	Acquired	Disposed	At 30 June 2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	150,344,946	-	-	**150,344,946**
Dato' Yeoh Seok Hong	54,173,305	-	-	**54,173,305**
Dato' Yeoh Seok Kian	58,508,722	-	-	**58,508,722**
Dato' Yeoh Soo Min	56,902,999	1,483,500	-	**58,386,499**
Dato' Yeoh Soo Keng	58,087,165	1,912,900	-	**60,000,065**
Dato' Mark Yeoh Seok Kah	23,232,200	-	-	**23,232,200**
Syed Abdullah Bin Syed Abd. Kadir	9,911,955	-	-	**9,911,955**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1,016,665(1)	-	-	**1,016,665(1)**
Dato' Yeoh Seok Hong	24,821,442(1)	-	-	**24,821,442(1)**
Datuk Seri Long See Wool	303,479(1)	-	-	**303,479(1)**
Dato' Yeoh Seok Kian	13,895,816(1)	-	-	**13,895,816(1)**
Dato' Yeoh Soo Min	2,495,456(1)(2)	-	-	**2,495,456(1)(2)**
Dato' Sri Michael Yeoh Sock Siong	77,595,817(1)(3)	-	-	**77,595,817(1)(3)**
Dato' Yeoh Soo Keng	799,157(1)	-	-	**799,157(1)**
Dato' Mark Yeoh Seok Kah	4,508,586(1)	-	-	**4,508,586(1)**
Syed Abdullah Bin Syed Abd. Kadir	20,701(1)	-	-	**20,701(1)**

DIRECTORS' REPORT

For the financial year ended 30 June 2023

DIRECTORS' INTERESTS (CONTINUED)

	Number of share options over ordinary shares			
Immediate Holding Company YTL Corporation Berhad	**At 1 July 2022**	**Granted**	**Exercised**	**At 30 June 2023**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	–	–	**15,000,000**
Dato' Yeoh Seok Hong	15,000,000	–	–	**15,000,000**
Dato' Yeoh Seok Kian	15,000,000	–	–	**15,000,000**
Dato' Yeoh Soo Min	15,000,000	–	–	**15,000,000**
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–	–	**15,000,000**
Dato' Yeoh Soo Keng	15,000,000	–	–	**15,000,000**
Dato' Mark Yeoh Seok Kah	15,000,000	–	–	**15,000,000**
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	–	–	**1,000,000**
Faiz Bin Ishak	1,000,000	–	–	**1,000,000**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000(1)	–	–	**15,000,000(1)**
Dato' Yeoh Seok Hong	14,000,000(1)	–	–	**14,000,000(1)**
Dato' Yeoh Seok Kian	12,000,000(1)	–	–	**12,000,000(1)**
Dato' Yeoh Soo Min	3,000,000(1)	–	–	**3,000,000(1)**

	Number of ordinary shares			
Related Company Malayan Cement Berhad	**At 1 July 2022**	**Acquired**	**Disposed**	**At 30 June 2023**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	500,000(1)	–	–	**500,000(1)**
Dato' Sri Michael Yeoh Sock Siong	2,100(1)	–	–	**2,100(1)**

	Number of share options over ordinary shares			
Related Company Malayan Cement Berhad	**At 1 July 2022**	**Granted**	**Exercised**	**At 30 June 2023**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	–	15,000,000	–	**15,000,000**
Dato' Yeoh Seok Hong	–	15,000,000	–	**15,000,000**
Dato' Yeoh Seok Kian	–	15,000,000	–	**15,000,000**
Dato' Sri Michael Yeoh Sock Siong	–	15,000,000	–	**15,000,000**
Dato' Yeoh Soo Keng	–	15,000,000	–	**15,000,000**

DIRECTORS' INTERESTS (CONTINUED)

Related Corporation YTL Corporation (UK) Plc.*	Number of ordinary shares of £0.25 each At 1 July 2022	Acquired	Disposed	At 30 June 2023
Direct interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**

Related Corporation YTL Construction (Thailand) Limited+	Number of ordinary shares of THB100 each At 1 July 2022	Acquired	Disposed	At 30 June 2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**
Dato' Yeoh Seok Hong	1	–	–	**1**
Dato' Yeoh Seok Kian	1	–	–	**1**
Dato' Sri Michael Yeoh Sock Siong	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

Related Corporation Samui Hotel 2 Co., Ltd.+	Number of ordinary shares of THB10 each At 1 July 2022	Acquired	Disposed	At 30 June 2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

* *Incorporated in England and Wales.*

+ *Incorporated in Thailand.*

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

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

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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

DIRECTORS' REPORT

For the financial year ended 30 June 2023

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the employees' share option scheme ("ESOS").

DIRECTORS' REMUNERATION

	Group RM'000	Company RM'000
Fees	890	890
Salaries	22,708	21,918
Bonus	3,625	3,625
Defined contribution plan	3,007	3,007
Others*	63	58
Estimated money value of benefits-in-kind	195	89
	30,488	29,587

* *Includes SOCSO, meeting allowances, etc.*

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

In the opinion of the Directors:

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

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

ULTIMATE HOLDING COMPANY

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

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
PricewaterhouseCoopers PLT	**866**	**846**

DIRECTORS' REPORT
For the financial year ended 30 June 2023

AUDITORS

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

This report was approved by the Board of Directors on 27 September 2023.

Signed on behalf of the Board of Directors:

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

DATO' YEOH SEOK HONG
Director

STATEMENT BY DIRECTORS

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

We, Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE and Dato' Yeoh Seok Hong, two of the Directors of YTL Power International Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 134 to 281 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and financial performance of the Group and of the Company for the financial year ended 30 June 2023 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 September 2023.

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

DATO' YEOH SEOK HONG
Director

STATUTORY DECLARATION

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

I, Dato' Yeoh Seok Hong, the Director primarily responsible for the financial management of YTL Power International Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 134 to 281 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' YEOH SEOK HONG
Director

Subscribed and solemnly declared by the abovenamed
Dato' Yeoh Seok Hong
at Kuala Lumpur on 27 September 2023.

Before me:

SYED KHAIRIL ANUAR B. SYED ZAINUDIN
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of YTL Power International Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 134 to 281.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Our audit approach

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

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

Key audit matters	**How our audit addressed the key audit matters**
Impairment review of goodwill *Refer to Note 2(d)(ii) - significant accounting policies, Note 3(a) - critical accounting estimates and judgements, and Note 13 - intangible assets*	
The Group recorded goodwill of RM9,063.4 million as at 30 June 2023, primarily allocated to the power generation segment in Singapore and water and sewerage segment in the United Kingdom. Goodwill for these segments represents 98.4% of total goodwill. The recoverable amounts of the cash generating units ("CGUs") are determined based on value-in-use ("VIU") calculations. Based on the annual impairment test performed, the Directors concluded that no impairment is required for goodwill. The key assumptions and sensitivities are disclosed in Note 13(a)(i) and 13(a)(ii) to the financial statements. We focused on this area as the estimation of the recoverable amounts is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rate and discount rate applied to the projected cash flows.	We performed the following audit procedures: • We discussed with management the assumptions underlying the cash flow projections; • We evaluated the reasonableness of key assumptions used by management in the approved cash flow projections by comparing the discount rate, revenue growth rates and terminal growth rates against publicly available macroeconomic and industry data, as well as historical data and market expectations from industry reports, where available; • We were assisted by our valuation expert in assessing the assumptions used and the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets"; • We assessed the reliability of the approved budget by comparing the previous years' approved budget against past trends of actual results; • We checked the appropriateness of sensitivity analysis performed by management, including disclosures, on reasonable possible changes in key assumptions and the corresponding effect on the recoverable amounts; and • We checked the appropriateness of disclosures in the financial statements. Based on the procedures performed above, we did not identify any material exceptions.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Capitalisation of infrastructure assets of the water and sewerage segment *Refer to Note 2(b) – significant accounting policies, Note 3(b) – critical accounting estimates and judgements, and Note 10 – property, plant and equipment ("PPE")* As at 30 June 2023, the net book value of infrastructure assets of the water and sewerage segment amounted to RM10,209.2 million. Due to the high value of capital expenditure on infrastructure assets, judgements made on the classification of expenses as operating or capital, and within capital between maintenance and enhancement, are key to the preparation of the accounts. We focused on this area since there is significant judgement involved in determining whether such expenditure meet the recognition criteria for capitalisation in accordance with MFRS 116, Property, Plant and Equipment ("MFRS 116").	We performed the following audit procedures: • We tested the operating effectiveness of the controls over authorisation of selected projects' infrastructure assets and identification of capital expenditures attributable to the infrastructure assets; • We understood the nature of costs incurred through discussion with management and corroborated with supporting information provided and checked whether the costs incurred met the capitalisation criteria in accordance with MFRS 116; • We challenged management's assumptions used in allocating certain costs between capital and operating expenditure. Specifically, this has included assessing the appropriate capitalisation of the following types of costs; overheads, interest, and infrastructure maintenance; and • We sampled capital expenditure costs in the year and agreed the costs to underlying support, including timesheets and invoices. Based on the procedures performed above, we did not identify any material exceptions.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Expected credit losses assessment on trade receivables of the Group's water and sewerage segment *Refer to Note 2(m)(iv) - significant accounting policies, Note 3(d) – critical accounting estimates and judgements and Note 18 – receivables, deposits and prepayments* As at 30 June 2023, trade receivables of the water and sewerage segment amounted to RM524.9 million, net of expected credit losses charges of RM307.4 million. As this segment operates in the United Kingdom ("UK"), there is a statutory requirement to continue to provide water to all customers who has defaulted in payment. Therefore, the Group has estimated the expected credit losses of trade receivables on a portfolio basis for the year based on the historical cash collection trends and economic trends, which are subjective in nature. We focused on this area given the use of significant estimates and judgement in determining the appropriate level of expected credit losses for trade receivables.	We performed the following audit procedures: • We tested the operating effectiveness of the key information technology systems used for generating billings and cash collection data used for the expected credit losses assessment and the controls over assessment of expected credit losses of trade receivables; • We performed substantive testing to ensure the completeness and accuracy of the reports used to populate the expected credit loss provision calculation; • We obtained the historical cash collection trends of each ageing bracket of the trade receivables and payment methods and compared against the percentage of expected credit losses used by management against each ageing bracket and payment methods; • We checked the appropriateness of the forward-looking forecasts assumptions used to determine the expected credit losses, which included management's scenario analysis of the impact of economic uncertainty due to inflation; • We compared the level of expected credit losses charged against similar companies within the industry in the UK; and • We developed expectations to generate a range for the estimated value and compared against the estimates and assumptions set forth by management to ensure no management bias over the expected credit losses. Based on the procedures performed above, we did not identify any material exceptions.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Metered income accrual *Refer to Note 2(m) and Note 2(v)(ii) – significant accounting policies, Note 3(g) – critical accounting estimates and judgements, Note 4 – revenue and Note 18 – receivables, deposits and prepayments*	
The Group has recorded a metered income accrual of RM640.4 million as at 30 June 2023 relating to revenue from the provision of water services to customers on water meters that had not been read at the year-end date. Revenue recognition in respect of the accrued income is particularly judgemental. It arises in relation to the unbilled income accrual from metered water services. This income accrual requires an estimation of the amount of unbilled charges at the period end. It is calculated using system generated information based on previous customer volume usage. We focused on this area given the estimation uncertainty regarding a range of factors underlying the estimates and judgement used in determining the metered income accrual and revenue.	We performed the following audit procedures: • We obtained an understanding of the process for the supply of measured services, meter reading and related billing; • We tested the key controls linked to system generated information and around the estimation process for measured revenue; • We compared the accrued income to bills raised post year end and compared management's history of estimating the accrued income balance to bills raised in the subsequent year to assess the accuracy of accrual income balance; • We recomputed the accrued income based on customers' historical usage data for selected samples; • We perform analytical procedures by comparing revenue balances for the year against expectation and obtaining support for significant variances; • We corroborated the key assumptions and estimates made by management in recognising revenue, by obtaining internal and external data on factors that influence demand from customers; • We tested contract terms and conditions were met and revenue recognised at the correct period; • We performed journal testing over targeted manual entries related to revenue, particularly those recorded close to the year end; and • We obtained an understanding of manual adjustments made to accrued income and reviewed the underlying assumptions for those adjustments. Based on the procedures performed above, we did not identify any material exceptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of property, plant and equipment of the Group and investment in subsidiaries of the Company *Refer to Note 2(b) and 2(j) – significant accounting policies, Note 3(c) – critical accounting estimates and judgements, Note 10 – PPE and Note 14 – investment in subsidiaries*	
a) Impairment assessment of property, plant and equipment ("PPE") The Group has PPE related to its telecommunications segment with an aggregate carrying values of RM1,993.8 million as at 30 June 2023. The Group performed an impairment assessment on the carrying values of the PPE due to the losses recorded by the segment which is an impairment indicator. The impairment assessment was performed by management using fair value less costs of disposal ("FVLCD") cash flows which requires significant judgement as the timing and quantum of the cash flows is dependent on the achievement of the next five years' business plans and financial budgets which are dependent on the use of key assumptions especially its growth targets. Based on the annual impairment test performed, the Directors concluded that no impairment of PPE is required.	a) Impairment assessment of property, plant and equipment ("PPE") We performed the following audit procedures: • We discussed with management the assumptions underlying the cash flow projections; • We assessed key assumptions including the discount rate, average service revenue growth rate, earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin, long-term growth rate and useful life of the assets by comparing these assumptions against publicly available macroeconomic and industry data, as well as historical data and market expectations from industry reports, where available; • We were assisted by our valuation expert in assessing the assumptions used and the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets"; • We assessed the reliability of the approved budget by comparing the previous years' approved budget against past trends of actual results; and • We checked the sensitivity analysis performed by management by stress testing the discount rate, average service revenue growth rate and terminal year EBITDA margin.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>Impairment assessment of property, plant and equipment of the Group and investment in subsidiaries of the Company (continued)

b) Impairment assessment on cost of investment in the separate financial statements of the Company

The cost of investment in the telecommunications segment in the separate financial statement of the Company as at 30 June 2023 amounted to RM3,853.3 million. Given the impairment indicator as described above, the Group has performed an impairment assessment and estimated the recoverable amount based on FVLCD cash flows and the Directors have concluded that no impairment on the cost of investment is required.

We focused on (a) and (b) above as the estimation of the recoverable amounts is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rate and the discount rate applied to the calculation of the FVLCD.</td><td>b) Impairment assessment on cost of investment in the separate financial statements of the Company

In addition to the procedures performed on the cash flows from the underlying PPE of the subsidiary as described above, we have performed the following audit procedures:
• We assessed key assumptions including the discount rate which reflects the specific risk relating to investment in the subsidiary and terminal growth rate by comparing these assumptions against publicly available macroeconomic and industry data, as well as historical data and market expectations from industry reports, where available;
• We were assisted by our valuation expert in assessing the assumptions used and the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets"; and
• We checked the sensitivity analysis performed by management on terminal growth rate, discount rate, average service revenue growth rate and terminal year EBITDA margin.

We checked the appropriateness of disclosures for (a) and (b) above in the financial statements.

Based on the procedures performed, we did not identify any material exceptions.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Statement on Risk Management and Internal Control, Executive Chairman's Statement, Managing Director's Review, Management Discussion & Analysis, Environment, Social & Governance Report, Corporate Governance Overview Statement, Audit Committee Report, Nominating Committee Statement and other sections of the 2023 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YTL POWER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No. 199601034332 (406684-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

IRVIN GEORGE LUIS MENEZES
02932/06/2024 J
Chartered Accountant

Kuala Lumpur
27 September 2023

INCOME STATEMENTS

For the financial year ended 30 June 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Revenue	4	**21,890,459**	17,804,728	**532,793**	2,971,836
Cost of sales		**(17,703,341)**	(16,157,678)	**-**	-
Gross profit		**4,187,118**	1,647,050	**532,793**	2,971,836
Other operating income		**181,766**	1,712,849	**154,892**	75,295
Administrative expenses		**(473,392)**	(410,122)	**(71,349)**	(52,771)
Other operating expenses		**(198,212)**	(652,496)	**(13,688)**	(424,560)
Finance cost		**(1,580,095)**	(989,917)	**(339,553)**	(311,882)
Share of profits of investments accounted for using the equity method	15	**332,338**	334,626	**-**	-
Profit before taxation	6	**2,449,523**	1,641,990	**263,095**	2,257,918
Taxation	7	**(416,936)**	(187,303)	**(1,777)**	(12,961)
Profit for the financial year		**2,032,587**	1,454,687	**261,318**	2,244,957
Attributable to:					
- Owners of the parent		**2,027,991**	1,476,796	**261,318**	2,244,957
- Non-controlling interests		**4,596**	(22,109)	**-**	-
		2,032,587	1,454,687	**261,318**	2,244,957
Earnings per share for profit attributable to the owners of the parent:					
- Basic (sen)	8	**25.03**	18.23		
- Diluted (sen)	8	**24.74**	18.13		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 (Restated)	Company 2023 RM'000	Company 2022 RM'000
Profit for the financial year		**2,032,587**	1,454,687	**261,318**	2,244,957
Other comprehensive income/(loss):					
Reclassification of reserves upon disposal of an associate:					
- cash flow hedges		**-**	38,452	**-**	-
- currency translation differences		**-**	(9,341)	**-**	-
Items that will not be reclassified subsequently to income statement:					
- financial assets at fair value through other comprehensive income	25(a)	**(2,346)**	(9,597)	**7,624**	(9,596)
- re-measurement of post-employment benefit obligations		**(249,825)**	408,354	**-**	-
Items that may be reclassified subsequently to income statement:					
- cash flow hedges	25(a)	**(511,098)**	284,748	**-**	-
- subsidiaries		**(573,410)**	155,775	**-**	-
- associates and joint ventures		**62,312**	128,973	**-**	-
- currency translation differences		**1,359,728**	(222,079)	**-**	-
- subsidiaries		**1,246,127**	(323,813)	**-**	-
- associates and joint ventures		**113,601**	101,734	**-**	-
Other comprehensive income/(loss) for the financial year, net of tax		**596,459**	490,537	**7,624**	(9,596)
Total comprehensive income for the financial year		**2,629,046**	1,945,224	**268,942**	2,235,361
Attributable to:					
- Owners of the parent		**2,587,376**	1,933,503	**268,942**	2,235,361
- Non-controlling interests		**41,670**	11,721	**-**	-
		2,629,046	1,945,224	**268,942**	2,235,361

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**28,505,180**	24,954,332	**844**	1,004
Investment properties	12	**579,786**	527,944	**-**	-
Intangible assets	13	**9,410,685**	8,663,264	**-**	-
Right-of-use assets	11	**445,676**	454,941	**268**	-
Post-employment benefit assets	29	**64,314**	174,802	**-**	-
Investment in subsidiaries	14	**-**	-	**18,906,468**	18,468,948
Investments accounted for using the equity method	15	**1,956,231**	1,769,644	**-**	-
Investments	16	**272,460**	294,726	**200,988**	193,364
Derivative financial instruments	20	**2,879**	20,607	**-**	-
Receivables, deposits and prepayments	18	**2,839,195**	2,454,912	**-**	-
Amounts owing by subsidiaries	22	**-**	-	**3,528,836**	2,834,078
		44,076,406	39,315,172	**22,637,404**	21,497,394
Current assets					
Inventories	19	**593,155**	493,056	**-**	-
Investments	16	**1,236,200**	740,824	**418,660**	3
Receivables, deposits and prepayments	18	**4,182,167**	3,454,925	**1,720**	4,503
Derivative financial instruments	20	**18,824**	415,891	**-**	-
Amounts owing by immediate holding company and ultimate holding company	21	**5**	8	**-**	-
Amounts owing by subsidiaries	22	**-**	-	**4,543**	25,641
Amounts owing by fellow subsidiaries	34	**25,824**	25,609	**7**	-
Cash and bank balances	23	**8,999,425**	6,880,016	**448,498**	324,551
		15,055,600	12,010,329	**873,428**	354,698
Total assets		**59,132,006**	51,325,501	**23,510,832**	21,852,092

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24	**7,038,587**	7,038,587	**7,038,587**	7,038,587
Reserves		**9,733,170**	7,550,305	**7,649,973**	7,777,177
Equity attributable to owners of the parent		**16,771,757**	14,588,892	**14,688,560**	14,815,764
Non-controlling interests		**(370,886)**	(257,465)	**-**	-
Total equity		**16,400,871**	14,331,427	**14,688,560**	14,815,764
Liabilities					
Non-current liabilities					
Deferred taxation	26	**3,340,624**	3,032,978	**70**	79
Borrowings	27	**27,482,356**	25,259,797	**6,196,818**	4,294,666
Lease liabilities	28	**292,556**	310,750	**-**	-
Provision for liabilities and charges	33	**22,483**	21,645	**-**	-
Post-employment benefit obligations	29	**17,141**	15,115	**-**	-
Grants and contributions	30	**699,024**	620,655	**-**	-
Derivative financial instruments	20	**9,654**	1,367	**-**	-
Payables	31	**1,839,301**	1,527,358	**-**	-
		33,703,139	30,789,665	**6,196,888**	4,294,745
Current liabilities					
Payables and accrued expenses	32	**4,328,611**	3,378,754	**75,188**	58,924
Derivative financial instruments	20	**110,828**	21,740	**-**	-
Provision for liabilities and charges	33	**10,378**	18,957	**-**	-
Post-employment benefit obligations	29	**707**	1,349	**695**	656
Amounts owing to immediate holding company and ultimate holding company	21	**1,083**	2,465	**102**	141
Amounts owing to subsidiaries	22	**-**	-	**1,307,354**	818,253
Amounts owing to fellow subsidiaries	34	**86,354**	100,758	**123**	211
Taxation		**379,038**	107,504	**84**	12,710
Borrowings	27	**4,001,945**	2,477,041	**1,241,563**	1,850,688
Lease liabilities	28	**109,052**	95,841	**275**	-
		9,027,996	6,204,409	**2,625,384**	2,741,583
Total liabilities		**42,731,135**	36,994,074	**8,822,272**	7,036,328
Total equity and liabilities		**59,132,006**	51,325,501	**23,510,832**	21,852,092

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

Group	Note	Share Capital RM'000 (Note 24)	Merger Reserve RM'000	Currency Translation Reserve RM'000	Other Reserves RM'000 (Note 25(a))	Treasury Shares RM'000 (Note 25(b))	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		<---------- Attributable to Owners of the Parent ---------->								
At 30 June 2022, as previously reported		7,038,587	(2,138,533)	843,264	601,957	(46,733)	8,016,080	14,314,622	(257,465)	14,057,157
Purchase price allocation adjustment	39	-	-	4,852	-	-	269,418	274,270	-	274,270
At 1 July 2022, as restated		7,038,587	(2,138,533)	848,116	601,957	(46,733)	8,285,498	14,588,892	(257,465)	14,331,427
Profit for the financial year		-	-	-	-	-	2,027,991	2,027,991	4,596	2,032,587
Other comprehensive income/(loss) for the financial year		-	-	1,322,646	(513,444)	-	(249,817)	559,385	37,074	596,459
Total comprehensive income/(loss) for the financial year		-	-	1,322,646	(513,444)	-	1,778,174	2,587,376	41,670	2,629,046
Transactions with owners										
Effects arising from changes in composition of the Group		-	-	-	1,087	-	(9,452)	(8,365)	1,714	(6,651)
Dividends paid	9	-	-	-	-	-	(405,108)	(405,108)	-	(405,108)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(156,805)	(156,805)
Share option expenses	25(a)	-	-	-	8,963	-	-	8,963	-	8,963
Share repurchased	25(b)	-	-	-	-	(1)	-	(1)	-	(1)
Exchange differences	25(a)	-	-	(17,680)	17,680	-	-	-	-	-
At 30 June 2023		7,038,587	(2,138,533)	2,153,082	116,243	(46,734)	9,649,112	16,771,757	(370,886)	16,400,871

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

		<-- Attributable to Owners of the Parent								
Group	**Note**	**Share Capital RM'000 (Note 24)**	**Merger Reserve RM'000**	**Currency Translation Reserve RM'000**	**Other Reserves RM'000 (Note 25(a))**	**Treasury Shares RM'000 (Note 25(b))**	**Retained Earnings RM'000**	**Total RM'000** -->	**Non-controlling Interests RM'000**	**Total Equity RM'000**
At 1 July 2021		7,038,587	(2,138,533)	1,123,895	275,080	(46,732)	6,765,345	13,017,642	(110,217)	12,907,425
Profit/(Loss) for the financial year, as restated	39	-	-	-	-	-	1,476,796	1,476,796	(22,109)	1,454,687
Other comprehensive (loss)/income for the financial year, as restated	39	-	-	(265,234)	313,603	-	408,338	456,707	33,830	490,537
Total comprehensive (loss)/income for the financial year, as restated	39	-	-	(265,234)	313,603	-	1,885,134	1,933,503	11,721	1,945,224
Transactions with owners										
Effects arising from changes in composition of the Group		-	-	-	-	-	(273)	(273)	(11,425)	(11,698)
Dividends paid	9	-	-	-	-	-	(364,597)	(364,597)	-	(364,597)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(147,544)	(147,544)
Reclassification upon disposal of investment at fair value through other comprehensive income		-	-	-	111	-	(111)	-	-	-
Share option expenses	25(a)	-	-	-	2,618	-	-	2,618	-	2,618
Share repurchased	25(b)	-	-	-	-	(1)	-	(1)	-	(1)
Exchange differences	25(a)	-	-	(10,545)	10,545	-	-	-	-	-
At 30 June 2022, as restated		7,038,587	(2,138,533)	848,116	601,957	(46,733)	8,285,498	14,588,892	(257,465)	14,331,427

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

Company	Note	Share Capital RM'000 (Note 24)	Other Reserves RM'000 (Note 25(a))	Treasury Shares RM'000 (Note 25(b))	Retained Earnings* RM'000	Total RM'000
At 1 July 2022		**7,038,587**	**58,715**	**(46,733)**	**7,765,195**	**14,815,764**
Profit for the financial year		**-**	**-**	**-**	**261,318**	**261,318**
Other comprehensive income for the financial year		**-**	**7,624**	**-**	**-**	**7,624**
Total comprehensive income for the financial year		**-**	**7,624**	**-**	**261,318**	**268,942**
Transactions with owners						
Dividends paid	9	**-**	**-**	**-**	**(405,108)**	**(405,108)**
Share option expenses	25(a)	**-**	**8,963**	**-**	**-**	**8,963**
Share repurchased	25(b)	**-**	**-**	**(1)**	**-**	**(1)**
At 30 June 2023		**7,038,587**	**75,302**	**(46,734)**	**7,621,405**	**14,688,560**
At 1 July 2021		7,038,587	65,582	(46,732)	5,884,946	12,942,383
Profit for the financial year		-	-	-	2,244,957	2,244,957
Other comprehensive loss for the financial year		-	(9,596)	-	-	(9,596)
Total comprehensive (loss)/ income for the financial year		-	(9,596)	-	2,244,957	2,235,361
Transactions with owners						
Dividends paid	9	-	-	-	(364,597)	(364,597)
Reclassification upon disposal of investment at fair value through other comprehensive income	25(a)	-	111	-	(111)	-
Share option expenses	25(a)	-	2,618	-	-	2,618
Share repurchased	25(b)	-	-	(1)	-	(1)
At 30 June 2022		7,038,587	58,715	(46,733)	7,765,195	14,815,764

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

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit for the financial year		**2,032,587**	1,454,687	**261,318**	2,244,957
Adjustments for:					
Allowance for impairment of associates		**270**	-	**-**	-
Allowance for impairment of intangible assets		**144**	171,102	**-**	-
Allowance for impairment of inventories		**1,364**	957	**-**	-
Allowance for impairment of investments		**-**	3,692	**-**	-
Allowance for impairment of receivables (net of reversals)		**132,630**	126,270	**-**	-
Amortisation of contract costs		**1,021**	1,537	**-**	-
Amortisation of deferred income		**(5,632)**	(6,008)	**-**	-
Amortisation of grants and contributions		**(17,951)**	(18,999)	**-**	-
Amortisation of intangible assets		**62,127**	65,862	**-**	-
Bad debts (recovered)/written off		**(1,268)**	981	**-**	-
Depreciation of property, plant and equipment		**1,099,704**	1,075,858	**250**	246
Depreciation of right-of-use assets		**143,665**	127,320	**805**	-
Fair value loss/(gain) on investments		**14,172**	97,659	**(1,589)**	493
Fair value loss/(gain) on investment properties		**3,313**	(19,492)	**-**	-
Gain on bargain purchase		**-**	(270,818)	**-**	-
Gain on disposal of a subsidiary	14(g)	**-**	(4,916)	**-**	-
Gain on disposal of an associate	15(b)(ii)	**-**	(1,272,259)	**-**	-
Gain on disposal of investments		**(3,543)**	-	**-**	-
Gain on lease modification		**(2)**	(593)	**-**	-
Gain on lease termination		**(1,305)**	(965)	**-**	-
Interest expense		**1,580,095**	989,917	**339,553**	311,882
Interest income		**(27,046)**	(3,307)	**-**	-
Net gain on disposal of property, plant and equipment		**(2,344)**	(68,936)	**-**	-
Project development costs written off		**-**	66,577	**-**	-
Property, plant and equipment written off		**12,487**	10,189	**-**	-
Provision for liabilities and charges		**6,704**	892	**-**	-
Provision for post-employment benefit		**33,246**	53,973	**-**	-
Share of profits of investments accounted for using the equity method		**(332,338)**	(334,626)	**-**	-
Share option expenses		**9,050**	2,673	**5,479**	1,844
Taxation		**416,936**	187,303	**1,777**	12,961
Unrealised gain on foreign exchange		**(127,862)**	(41,135)	**(110,501)**	(60,303)
(Write back of)/Allowance for impairment of amounts owing by subsidiaries		**-**	-	**(24,146)**	231,818
Write back of waiver of amounts owing by a subsidiary		**-**	-	**(19,273)**	-
		5,030,224	2,395,395	**453,673**	2,743,898

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 (Restated)	Company 2023 RM'000	Company 2022 RM'000
Changes in working capital:					
Inventories		**(50,347)**	(110,326)	**-**	-
Receivables, deposits and prepayments		**(1,634,405)**	(809,103)	**(1,217)**	(8,355)
Payables and accrued expenses		**1,503,687**	916,625	**188**	14,857
Subsidiaries		**-**	-	**(460,774)**	(867,503)
Fellow subsidiaries		**(15,601)**	4,438	**(38)**	188
Holding company		**(1,523)**	(1,810)	**(39)**	138
Cash flows from/(used in) operations		**4,832,035**	2,395,219	**(8,207)**	1,883,223
Interest paid		**(1,084,214)**	(880,767)	**(318,438)**	(311,303)
Payment for provision and liabilities		**(16,230)**	(759)	**-**	-
Payment to post-employment benefit obligations		**(236,071)**	(134,845)	**-**	-
Tax paid		**(70,558)**	(73,149)	**(14,412)**	(363)
Net cash flows from/(used in) operating activities		**3,424,962**	1,305,699	**(341,057)**	1,571,557
Cash flows from investing activities					
Acquisition of a subsidiary	14(f)	**-**	(839,729)	**-**	-
Additional investments		**(167)**	(96,231)	**-**	-
Additional investment accounted for using the equity method		**(63,433)**	(56,750)	**-**	-
Capital repayment from a subsidiary		**-**	-	**-**	145,193
Dividends received		**385,646**	362,742	**-**	-
Grants received		**31,051**	32,092	**-**	-
Increase in deposits maturing more than 90 days		**(243,756)**	-	**-**	-
Increase in shareholder loans		**(167,300)**	(426,221)	**-**	-
Interest received		**19,431**	3,647	**-**	-
Net repayment from/(advances to) subsidiaries		**-**	-	**2,487**	(98,299)
(Placements)/Maturities of income funds		**(415,000)**	953,102	**(415,000)**	351,073
Proceeds from disposal of a subsidiary		**-**	3,853	**-**	-
Proceeds from disposal of an associate	15(b)(ii)	**-**	1,966,568	**-**	-
Proceeds from disposal of investments		**28,209**	318	**-**	318
Proceeds from disposal of property, plant and equipment		**49,419**	86,578	**-**	-
Purchase of intangible assets		**(66,960)**	(68,800)	**-**	-
Purchase of property, plant and equipment		**(2,249,869)**	(1,759,216)	**(90)**	(105)
Repayments/(Placement) for participation investment		**194,682**	(498,165)	**-**	-
Net cash flows (used in)/from investing activities		**(2,498,047)**	(336,212)	**(412,603)**	398,180

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Cash flows from financing activities					
Additional investment in a subsidiary		**(6,943)**	(1,000)	**-**	-
Dividends paid		**(405,108)**	(364,597)	**(405,108)**	(364,597)
Dividends paid to non-controlling interests		**(156,805)**	(147,544)	**-**	-
Proceeds from borrowings		**6,470,995**	2,225,911	**2,717,650**	525,500
Upfront fees on borrowings		**(26,025)**	(24,838)	**(7,799)**	(1,641)
Repayment of borrowings		**(5,253,251)**	(4,245,617)	**(1,415,225)**	(1,821,000)
Repayment of lease liabilities		**(159,661)**	(148,655)	**(833)**	-
Repurchase of own shares		**(1)**	(1)	**(1)**	(1)
Net cash flows from/(used in) financing activities		**463,201**	(2,706,341)	**888,684**	(1,661,739)
Net changes in cash and cash equivalents		**1,390,116**	(1,736,854)	**135,024**	307,998
Effects of exchange rate changes		**552,742**	(45,503)	**(11,077)**	4,459
Cash and cash equivalents:					
- At beginning of the financial year		**6,784,224**	8,566,581	**324,551**	12,094
- At end of the financial year	23	**8,727,082**	6,784,224	**448,498**	324,551
The principal non-cash transactions of property, plant and equipment are disclosed as below:					
Interest expense paid/payable		**53,861**	36,306	**-**	-
Hire purchase		**-**	196	**-**	-
Transfer of assets from customers		**23,894**	43,528	**-**	-
Transfer from prepayments		**906**	-	**-**	-
Other payables and accrued expenses		**16,789**	14,154	**-**	-
		95,450	94,184	**-**	-

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

STATEMENTS OF CASH FLOWS
For the financial year ended 30 June 2023

Reconciliation of liabilities arising from financing activities:

1. Borrowings

	Group		Company	
	2023 RM'000	2022 RM'000	**2023 RM'000**	2022 RM'000
At 1 July	**27,736,838**	30,355,977	**6,145,354**	7,399,572
Changes from financing cash flows				
Proceeds from borrowings	**6,470,995**	2,225,911	**2,717,650**	525,500
Upfront fees on borrowings	**(26,025)**	(24,838)	**(7,799)**	(1,641)
Repayment of borrowings	**(5,253,251)**	(4,245,617)	**(1,415,225)**	(1,821,000)
Other changes in borrowings				
Amortisation of issuance cost/Unwinding of premium	**454,594**	183,449	**1,932**	5,335
(Decrease)/Increase in bank overdrafts	**(91,010)**	75,391	**-**	-
Exchange differences	**2,192,160**	(833,435)	**(3,531)**	37,588
At 30 June	**31,484,301**	27,736,838	**7,438,381**	6,145,354

2. Lease liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	**2023 RM'000**	2022 RM'000
At 1 July	**406,591**	465,734	**-**	-
Changes from financing cash flows				
Repayment of lease liabilities	**(159,661)**	(148,655)	**(833)**	-
Other changes in lease liabilities				
Additions	**57,721**	51,312	**1,073**	-
Termination	**(17,443)**	(20,714)	**-**	-
Interest expenses	**24,301**	21,312	**35**	-
Modification	**87,947**	38,671	**-**	-
Exchange differences	**2,152**	(1,069)	**-**	-
At 30 June	**401,608**	406,591	**275**	-

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and the provision of administrative and technical support services. The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

The immediate holding company is YTL Corporation Berhad and the ultimate holding company is Yeoh Tiong Lay & Sons Family Holdings Limited, companies incorporated in Malaysia and Jersey respectively. YTL Corporation Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

(i) Amendments to published standards that are effective and applicable for the Group's and the Company's financial year beginning on or after 1 July 2022 are as follows:

	Effective for financial periods beginning on or after
Amendments to MFRS 3 'Business Combinations – Reference to the Conceptual Framework'	1 January 2022
Amendments to MFRS 116 'Property, Plant and Equipment – Proceeds Before Intended Use'	1 January 2022
Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts 'Cost of Fulfilling a Contract'	1 January 2022
Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives	1 January 2022
Annual Improvements to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standards – Subsidiary as First-time Adopter'	1 January 2022
Annual Improvements to MFRS 9 'Financial Instruments – Fees in the 10 per cent test for Derecognition of Financial Liabilities'	1 January 2022

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

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

a) Financial year beginning on/after 1 July 2023

- MFRS 17 'Insurance Contracts' (effective from 1 January 2023) introduces consistent accounting for all insurance contracts based on a current measurement model. Under MFRS 17, the general model requires entities to recognise and measure a group of insurance contracts at: (i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus (ii) an amount representing the unearned profit in the group of contracts.
- Amendments to MFRS 17 'Insurance Contracts' (effective from 1 January 2023). The amendments are designed to minimise the risk of disruption to implementation already underway and do not change the fundamental principles of the standard or reduce the usefulness of information for investors. In addition, the amendments also defer the effective date of MFRS 17 by two years to annual reporting periods beginning on or after 1 January 2023.
- Amendments to MFRS 17 'Insurance Contracts' – Initial Application of MFRS 17 'Insurance Contracts' and MFRS 9 'Financial Instruments' – Comparative Information (effective from 1 January 2023) – In order to avoid the temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of MFRS 17 and MFRS 9, the amendment provides an option for the presentation of comparative information about financial assets as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

a) Financial year beginning on/after 1 July 2023 (continued)

- Amendments to MFRS 101 'Presentation of Financial Statements' – Disclosure of Accounting Policies (effective from 1 January 2023) require entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

- Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates (effective from 1 January 2023) revise the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. An entity shall apply the amendments to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in which it applies the amendments.

- Amendments to MFRS 112 'Income Taxes' – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023) clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

- Amendments to MFRS 112 'Income Taxes' – International Tax Reform–Pillar Two Model Rules (effective from 1 January 2023) give entities temporary relief from recognising and disclosing accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform; and introduces targeted disclosure requirements to help investors better understand an entity's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect. Applying the temporary relief, entities neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The relief will help to ensure consistency in the financial statements while easing into the implementation of the rules by allowing time for entities to assess how they are affected. And, we have applied the temporary exception.

b) Financial year beginning on/after 1 July 2024

- Amendments to MFRS 101 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current (effective from 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments shall be applied retrospectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

b) *Financial year beginning on/after 1 July 2024 (continued)*

- Amendments to MFRS 101 'Presentation of Financial Statements' – Non-current Liabilities with Covenants (effective from 1 January 2024) specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date. The amendments shall be applied retrospectively.

- Amendments to MFRS 16 'Leases' – Lease Liability in a Sale and Leaseback (effective from 1 January 2024) specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the seller-lessee initially applied MFRS 16.

- Amendments to MFRS 107 'Statement of Cash Flows' and MFRS 7 'Financial Instruments: Disclosures' – Supplier Finance Arrangements (effective from 1 January 2024) require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

c) *Financial year beginning on/after 1 July 2025*

- Amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates'- Lack of Exchangeability (effective from 1 January 2025) clarify that entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency. An entity does not apply the amendments retrospectively. Instead, an entity recognises any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognises the cumulative amount of translation differences in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

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

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

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

(b) Property, plant and equipment

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

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

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

Infrastructure assets comprise eight components: impounding reservoirs 150 years, raw water mains 100 years, treated water mains 100 years, communication pipes 60 years, sewers 200 years, sewage pumping stations 60 years, combined sewer overflows 80 years and sea outfalls 60 years.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (continued)

All other property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful lives, summarised as follows:

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

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

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amounts exceed the recoverable amounts. See accounting policy Note 2(f) to the financial statements on impairment of non-financial assets.

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

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

(c) Leases

(i) Accounting by lessee

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

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

a) Lease term

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases (continued)

(i) Accounting by lessee (continued)

b) ROU assets

ROU assets are initially measured at cost comprising the following:

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

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

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

c) Lease liabilities

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases (continued)

(i) Accounting by lessee (continued)

d) *Reassessment of lease liabilities*

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

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

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

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

(ii) Accounting by lessor

Operating leases

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

Separating lease and non-lease components

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

(d) Intangible assets

(i) Contract rights

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (continued)

(ii) Goodwill

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

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

Goodwill acquired in a business combination is allocated to cash-generating units for the purpose of impairment testing and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. The carrying value of goodwill is compared to the recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. Any impairment is recognised immediately as an expense and is not subsequently reversed. See accounting policy Note 2(f) to the financial statements on impairment of non-financial assets.

(iii) Software assets

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

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

(iv) Other intangible assets

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

(e) Investment properties

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment properties (continued)

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

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

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

(f) Impairment of non-financial assets

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

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

(g) Subsidiaries

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

Subsidiaries are consolidated using the acquisition method of accounting except for subsidiaries that were consolidated prior to 1 July 2002 in accordance with Malaysian Accounting Standard 2 'Accounting for Acquisitions and Mergers', the generally accepted accounting principles prevailing at that time.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Subsidiaries (continued)

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

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of the subsidiary's net assets as of the date of disposal, including the cumulative amount of any exchange differences that relate to that subsidiary and is recognised in the Income Statement. The exchange difference on return of capital is reversed when there is no change in ownership interests.

(i) Acquisition method

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

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

The excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the fair value of net identifiable assets acquired and liabilities assumed is recorded as goodwill. If this consideration is lower than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised in the Income Statement (refer to significant accounting policies Note 2(d)(ii) on goodwill).

(ii) Merger method

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Subsidiaries (continued)

(iii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iv) Change in control

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

(h) Associates

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Joint arrangements

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

Joint ventures

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

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

(j) Investments in subsidiaries, joint arrangements and associates

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

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

(k) Development expenditure

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Financial assets and financial liabilities

Financial assets

(i) Classification

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

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

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

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

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

(ii) Recognition and derecognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iii) Measurement

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

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

a) Debt instruments

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iii) Measurement (continued)

b) Equity instruments

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

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

(iv) Impairment

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

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

The measurement of ECL reflects:

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

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

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

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

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

Significant increase in credit risk

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

Significant increase in credit risk (continued)

The following indicators are incorporated:

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

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

Definition of default and credit-impaired financial assets

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

a) *Quantitative criteria*

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

b) *Qualitative criteria*

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

Groupings of instruments for ECL measured on collective basis

a) *Collective assessment*

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

b) *Individual assessment*

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

(v) Write-off

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial liabilities

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

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

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(n) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates its hedges as cash flow hedges. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the Income Statement when the changes arise.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

(o) Financial guarantee

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

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

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

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

(p) Cash and cash equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Share capital

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

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

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

Purchase of own shares

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

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

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

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Subsequently, borrowings are carried at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the term of the borrowings.

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

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

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

(s) Grants and contributions

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Deferred income

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

(u) Provisions

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

(v) Revenue recognition

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

(i) Sale of electricity

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

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

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

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

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

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

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

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

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

(iii) Adoptions of water and wastewater mains.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(iii) Telecommunications

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

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

a) Telecommunication services

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

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

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

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

b) Sale of devices

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(iii) Telecommunications (continued)

b) Sale of devices (continued)

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

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

The Group generates revenue from telecommunication infrastructure. Telecommunication infrastructure revenue is generated from the leasing of space on the Group's telecommunication towers, where the customers install and maintain their individual communication network equipment, and from construction of telecommunication infrastructure. The leasing revenue is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payments are due. For the construction of telecommunication infrastructure, see accounting policy Note 2(vii) to the financial statements on construction contracts.

(iv) Sale of steam

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

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

(v) Investment income

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

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

(vi) Lease income

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(vii) Construction contracts

Under such contracts, the Group is engaged to construct buildings and related infrastructure and in certain instances to supply equipments. These contracts may include multiple promises to the customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated based on relative stand-alone selling price of the considerations of each of the separate performance obligations. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement.

The Group determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, the Group estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation using the input method, which is based on the total actual construction cost incurred to date as compared to the total budgeted costs to the respective construction projects.

If control of the asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(viii) Others

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Contracts with Customers

(i) Contract assets

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

(ii) Contract liabilities

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

(iii) Contract cost assets

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

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

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

(x) Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Employee benefits (continued)

(ii) Post-employment benefits (continued)

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

a) *Defined contribution plan*

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior financial periods.

The Group's and the Company's contributions to defined contribution plan are charged to the Income Statement in the financial period to which they relate.

b) *Defined benefit plan*

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

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Re-measurement gains and losses of post-employment benefit obligations are recognised in Other Comprehensive Income.

Past-service costs are recognised immediately in the Income Statement.

(iii) Share-based compensation

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

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

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Income taxes

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

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

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

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

The Group's share of income taxes of joint ventures and associates are included in the Group's share of profits of investments accounted for using the equity method.

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

(z) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Foreign currencies (continued)

(iii) Group companies

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

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Income Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholder's equity. When a foreign operation is disposed of or sold, such exchange differences that were recorded in shareholders' equity are recognised in the Income Statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2011 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2011, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions. This is in accordance to the adoption of MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".

(aa) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements, except in a business combination.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ab) Segmental reporting

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

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Impairment assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of significant judgements and estimates as set out in Note 13 to the financial statements.

(b) Capitalisation of infrastructure assets in property, plant and equipment

Due to the high value of capital expenditure on infrastructure assets, judgements made on the classification of expenses as operating or capital, and within capital between maintenance and enhancement, are key to the preparation of the accounts. These judgements are based on engineering experience of differentiating between treatment as a repair or a replacement of an infrastructure asset.

(c) Impairment assessment of property, plant and equipment (“PPE”) and investment

The Group assesses impairment of the assets or cash-generating units (“CGUs”) whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measured at the higher of the fair value less costs of disposal (“FVLCD”) for that asset or CGU and its value-in-use (“VIU”). Projected future cash flows used in impairment testing of the assets or CGUs are based on Group’s estimates calculated using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

The recoverable amounts of the asset or CGUs are determined based on VIU or FVLCD calculations. These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group to make assumptions about revenue growth rate, discount rate and terminal multiple.

The assumptions used and results of the impairment assessment of investment in a subsidiary and PPE are disclosed in Note 14(c) and Note 10 to the financial statements, respectively.

(d) Assessment on allowance for impairment of trade receivables of water and sewerage segment

The expected credit loss on outstanding receivables is a key estimate under MFRS 9. The Group estimate of recoverability by grouping customers into similar economic profiles and applying a percentage loss rate based on forward-looking judgements on the future collection rates that are likely to be achieved. This has included additional considerations of the possible impact of the ongoing economic uncertainty on the expected collection rates of outstanding receivables. A 1% reduction in collection rates would increase the expected credit loss allowance by RM28.7 million.

(e) Estimated useful lives of property, plant and equipment

The Group reviews the useful lives of its PPE at each reporting date and any adjustments are made on a prospective basis as changes in accounting estimates. The useful lives of the PPE are assessed periodically based on the conditions of the equipment, market conditions and other regulatory requirements. A change in accounting estimates in the current financial year is disclosed in Note 10 to the financial statements.

(f) Assumptions used in determining the post-employment benefit plans

The present value of the post-employment benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income are disclosed in Note 29 to the financial statements. Any changes in these assumptions will impact the carrying amount of post-employment benefit plans.

(g) Revenue recognition from accrued income

The unbilled income accrual from metered water services of the water and sewerage segment requires an estimation of the amount of unbilled charges at the period end. This is calculated using system generated information based on previous customer volume usage. A 2% movement in average consumption equates to a RM5.4 million movement in the unbilled income accrual.

(h) Leases

The measurement of the right-of-use asset and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(h) Leases (continued)

In determining the incremental borrowing rate, the Group and the Company first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environmental of the respective leases.

(i) Investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the Income Statements. For investment properties, a valuation methodology is adopted which involves comparison to developments of a similar nature, location and condition. The sensitivity analysis is disclosed in Note 12(b) to the financial statements.

(j) Deferred tax assets

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

4. REVENUE

(a) Revenue comprises the following:

	Group		**Company**	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue from contracts with customers	**21,235,799**	17,520,407	**-**	638
Revenue from other sources				
- Lease income	**224,335**	210,319	**-**	-
- Others	**430,325**	74,002	**532,793**	2,971,198
Total revenue	**21,890,459**	17,804,728	**532,793**	2,971,836

4. REVENUE (CONTINUED)

(a) Revenue comprises the following: (continued)

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

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Power generation				
- Sale of electricity	**15,842,799**	12,172,781	**-**	-
- Sale of steam	**244,787**	251,186	**-**	-
- Others	**129,375**	297,016	**-**	-
	16,216,961	12,720,983	**-**	-
Water and sewerage				
- Supply of clean water and treatment and disposal of waste water	**4,265,768**	4,109,542	**-**	-
Telecommunications				
- Sale of devices	**102,938**	172,987	**-**	-
- Telecommunication services	**265,253**	403,839	**-**	-
- Telecommunication infrastructure	**232,409**	101,215	**-**	-
	600,600	678,041	**-**	-
Investment holding activities				
- Investment income	**395,346**	72,175	**530,584**	2,969,371
- Dividend income	**6,003**	2,333	**236,671**	2,762,659
- Interest income	**389,343**	69,842	**293,913**	206,712
- Management, operation and maintenance fees	**164,981**	66,352	**-**	638
- Others	**246,803**	157,635	**2,209**	1,827
	807,130	296,162	**532,793**	2,971,836
	21,890,459	17,804,728	**532,793**	2,971,836

4. REVENUE (CONTINUED)

(a) Revenue comprises the following: (continued)

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

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
At a point in time	**527,618**	393,077	**-**	-
Over time	**20,708,181**	17,127,330	**-**	638
	21,235,799	17,520,407	**-**	638

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

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Non-current			
Contract assets	18	**8,263**	2,084
Contract cost assets	18	**943**	13
Contract liabilities	31	**(35,095)**	(28,637)
Current			
Contract assets	18	**235,601**	154,389
Contract cost assets	18	**37,387**	24,663
Contract liabilities	32	**(529,892)**	(405,359)

(i) Significant changes in contract assets and liabilities

	Group	
	2023 RM'000	**2022 RM'000**
Contract assets		
At 1 July	**156,473**	154,545
Additions arising from revenue recognised during the financial year	**94,339**	3,916
Transfer to trade receivables	**(4,326)**	(1,718)
Allowance for impairment of contract assets	**(2,622)**	(270)
At 30 June	**243,864**	156,473

4. REVENUE (CONTINUED)

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

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

	Group	
	2023 RM'000	**2022 RM'000**
Contract liabilities		
At 1 July	**433,996**	368,050
Exchange differences	**47,069**	(29,283)
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(431,198)**	(330,183)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**515,120**	425,412
At 30 June	**564,987**	433,996

(ii) Assets recognised from costs to obtain or fulfil a contract

The Group capitalises costs to obtain or fulfil a contract which include sales commissions when they are incremental and expected to be recovered over more than a year. The Group also capitalises expenditure on assets such as water mains/sewers or new connections relating to contracts as they are incurred to fulfil the contract. This is presented within contract cost assets within "Receivables, deposits and prepayments" in the Statement of Financial Position.

	Group	
	2023 RM'000	**2022 RM'000**
At 1 July	**24,676**	24,738
Exchange differences	**3,403**	(1,815)
Assets recognised from costs to obtain or fulfil a contract during the financial year	**41,411**	39,378
Amortisation recognised during the financial year	**(1,021)**	(1,537)
Charged to cost of sales during the financial year	**(30,139)**	(36,088)
At 30 June	**38,330**	24,676

The closing balances of contract cost assets consist of:

	Group	
	2023 RM'000	**2022 RM'000**
Contract acquisition costs	**188**	11
Contract fulfilment costs	**38,142**	24,665
At 30 June	**38,330**	24,676

4. REVENUE (CONTINUED)

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

(iii) Unsatisfied performance obligations

As at 30 June 2023, the aggregate amount of transaction price allocated to unsatisfied performance obligations resulting from contracts with customers is RM1,451.5 million (2022: RM413.8 million). This will be recognised as revenue as the services are provided to customer, which is expected to occur over the next 1 to 8 years (2022: 1 to 9 years).

The Group applies the practical expedient in MFRS 15 and did not disclose information about unsatisfied performance obligations for certain contracts, where the transaction price corresponds directly with the Group's level of performance in the future.

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Key management personnel comprise the Directors and Senior Management who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company. Key management compensation is disclosed below:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Key management compensation:				
- Salaries and bonus	**40,140**	36,376	**25,543**	21,918
- Defined contribution plan	**3,042**	2,609	**3,007**	2,579
- Fees	**890**	890	**890**	890
- Other emoluments*	**224**	213	**58**	55
- Estimated money value of benefits in kind	**404**	361	**89**	35

* *Includes Social Security Organisation ("SOCSO"), meeting allowances, etc.*

Key management compensation includes the Directors' remuneration (whether executive or otherwise) as disclosed in Note 6 to the financial statements.

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

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Sale of goods and services:				
- Fellow subsidiaries	**17,018**	19,430	**-**	-
Management, operation and maintenance fees:				
- Subsidiaries	**-**	-	**-**	638
- Associates	**71,777**	65,918	**-**	-
- Joint ventures	**93,144**	-	**-**	-
Dividend income:				
- Subsidiaries	**-**	-	**232,824**	2,762,592
- Fellow subsidiaries	**3,772**	-	**3,772**	-
Interest income:				
- Subsidiaries - in respect of loan and advances	**-**	-	**273,494**	199,683
- Associates	**-**	13,240	**-**	-
- Joint ventures	**222,695**	158,277	**-**	-
Other income:				
- Fellow subsidiaries	**2,209**	1,827	**2,209**	1,827
Interest expense:				
- Subsidiaries - in respect of loan and advances	**-**	-	**3,715**	1,221
Purchases of goods and services from fellow subsidiaries:				
- Construction of building infrastructure and related services	**421,524**	-	**-**	-
- Hotel and accommodation	**1,841**	2,129	**1,095**	644
- Operating and maintenance	**197,333**	62,912	**-**	-
Purchases of goods and services from joint venture companies:				
- Billing and debt collection	**76,605**	60,001	**-**	-
- Information technology consultancy and related services	**10,826**	18,102	**-**	-
Expenses paid on behalf of:				
- Subsidiaries	**-**	-	**6,118**	2,598

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Expenses paid on behalf by:				
- Subsidiaries	**-**	-	**3,940**	52,074
- Fellow subsidiaries	**1,286**	2,787	**425**	417
- Immediate holding company and ultimate holding company	**4,639**	2,988	**539**	471
Year-end balances owing by:				
- Subsidiaries	**-**	-	**3,533,379**	2,859,719
- Fellow subsidiaries	**25,824**	25,609	**7**	-
Year-end balances owing to:				
- Subsidiaries	**-**	-	**(1,307,354)**	(818,253)
- Fellow subsidiaries	**(86,354)**	(100,758)	**(123)**	(211)

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

	Company	
	2023 RM'000	**2022 RM'000**
Advances (from)/to subsidiaries		
At 1 July	**848,589**	985,787
Advances from subsidiaries	**(741,667)**	(507,760)
Advances to subsidiaries	**1,066,352**	1,681,663
Repayment to subsidiaries	**-**	74,400
Repayment from subsidiaries	**(327,172)**	(1,150,004)
	(2,487)	98,299
Capitalisation of advances to subsidiaries (Note 14(d))	**(495,020)**	(222,500)
Capital reduction in a subsidiary (Note 14(e))	**60,000**	-
Net of interest income and expenses	**269,779**	198,462
Net settlement of interests	**(41,368)**	(14,341)
Write back of/(Allowance for) impairment of amounts owing by subsidiaries	**25,421**	(230,267)
Write back of waiver of amounts owing by a subsidiary	**19,273**	-
Exchange differences	**3,012**	33,149
Settlement via offsetting with amount due to a subsidiary	**(188,826)**	-
At 30 June	**498,373**	848,589

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

6. PROFIT BEFORE TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit before taxation is stated after charging/(crediting):				
Allowance for impairment of associates	**270**	–	**-**	–
Allowance for impairment of intangible assets	**144**	171,102	**-**	–
Allowance for impairment of inventories	**1,364**	957	**-**	–
Allowance for impairment of investments	**-**	3,692	**-**	–
Allowance for impairment of receivables (net of reversals)	**132,630**	126,270	**-**	–
Amortisation of contract costs	**1,021**	1,537	**-**	–
Amortisation of deferred income	**(5,632)**	(6,008)	**-**	–
Amortisation of grants and contributions	**(17,951)**	(18,999)	**-**	–
Amortisation of intangible assets	**62,127**	65,862	**-**	–
Auditors' remuneration				
– Statutory audit fees payable/paid to PwC Malaysia – current financial year	**866**	846	**846**	816
– Statutory audit fees payable/paid to member firms of PricewaterhouseCoopers International Limited ("PwCIL") which are separate and independent legal entities from PwC Malaysia	**903**	812	**-**	–
– Statutory audit fees payable/paid to other audit firms	**4,539**	3,866	**-**	–
– Non-audit fees payable/paid to PwC Malaysia	**340**	164	**244**	55
– Non-audit fees payable/paid to member firms of PwCIL which are separate and independent legal entities from PwC Malaysia	**663**	565	**-**	–
Bad debts (recovered)/written off	**(1,268)**	981	**-**	–
Cash flow hedges, reclassified from hedging reserve to cost of sales	**(31,912)**	(331,254)	**-**	–
Cost of fuel, raw materials and consumable	**14,318,315**	12,967,759	**-**	–
Depreciation of property, plant and equipment	**1,099,704**	1,075,858	**250**	246
Depreciation of right-of-use assets	**143,665**	127,320	**805**	-
Development expenditure	**2,212**	5,910	**2,212**	5,910
Directors' remuneration	**30,293**	26,193	**29,498**	25,442
Fair value loss/(gain) on investments	**14,172**	97,659	**(1,589)**	493
Fair value loss/(gain) on investment properties	**3,313**	(19,492)	**-**	–
Gain on bargain purchase	**-**	(270,818)	**-**	–
Gain on disposal of a subsidiary	**-**	(4,916)	**-**	–
Gain on disposal of an associate	**-**	(1,272,259)	**-**	–
Gain on disposal of investments	**(3,543)**	–	**-**	–
Gain on lease modification	**(2)**	(593)	**-**	–
Gain on lease termination	**(1,305)**	(965)	**-**	–

6. PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Infrastructure maintenance expenses	**115,415**	117,144	**-**	-
Interest expense – accretion of asset retirement obligation	**854**	869	**-**	-
Interest expense – borrowings	**1,562,788**	960,951	**335,803**	310,661
Interest expense – discounting on non-current receivables	**2,986**	597	**-**	-
Interest expense – subsidiaries, in respect of loan and advances	**-**	-	**3,715**	1,221
Interest expense – lease liabilities	**24,301**	21,312	**35**	-
Interest (income)/expense – post-employment benefit obligations	**(10,834)**	6,188	**-**	-
Interest income	**(27,046)**	(3,307)	**-**	-
Net gain on disposal of property, plant and equipment	**(2,344)**	(68,936)	**-**	-
Operating lease income	**(371)**	(414)	**-**	-
Project development costs written off	**-**	66,577	**-**	-
Property, plant and equipment written off	**12,487**	10,189	**-**	-
Provision for liabilities and charges	**6,704**	892	**-**	-
Rates	**142,203**	149,450	**-**	-
Realised loss/(gain) on foreign exchange	**5,103**	(405)	**616**	(14,977)
Short-term leases/leases of low-value assets/ variable lease payments	**92,693**	73,070	**-**	-
Staff costs:				
– Wages, salaries and bonus	**648,713**	532,315	**22,742**	17,868
– Defined contribution plan	**86,059**	64,033	**2,136**	1,761
– Defined benefit plan – net pension cost	**33,246**	53,973	**-**	-
Share option expenses	**9,050**	2,673	**5,479**	1,844
Unrealised gain on foreign exchange	**(127,862)**	(41,135)	**(110,501)**	(60,303)
(Write back of)/Allowance for impairment of amounts owing by subsidiaries	**-**	-	**(24,146)**	231,818
Write back of waiver of amounts owing by a subsidiary	**-**	-	**(19,273)**	-

6. PROFIT BEFORE TAXATION (CONTINUED)

Details of the total remuneration of each Director of the Company received from YTL Power International Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2023 and 30 June 2022, are as follows:

2023 Group	Salaries RM'000	Bonus RM'000	Fees RM'000	Defined contribution plan RM'000	Others* RM'000	Estimated money value of benefits in kind RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	4,824	804	-	675	1	40	6,344
Dato' Yeoh Seok Hong	4,979	764	-	642	4	27	6,416
Dato' Yeoh Seok Kian	2,412	402	-	338	1	16	3,169
Dato' Yeoh Soo Min	3,756	626	-	526	1	27	4,936
Dato' Yeoh Soo Keng	3,630	605	-	508	1	2	4,746
Dato' Mark Yeoh Seok Kah	2,459	344	-	289	3	9	3,104
Syed Abdullah Bin Syed Abd. Kadir	648	80	-	29	1	74	832
Non-Executive Directors							
Tan Sri Ismail Bin Adam	-	-	200	-	6	-	206
Datuk Seri Long See Wool	-	-	230	-	15	-	245
Datuk Loo Took Gee	-	-	230	-	15	-	245
Faiz Bin Ishak	-	-	230	-	15	-	245
	22,708	3,625	890	3,007	63	195	30,488

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

6. PROFIT BEFORE TAXATION (CONTINUED)

Details of the total remuneration of each Director of the Company received from YTL Power International Berhad, categorised into appropriate components for the financial year ended 30 June 2023 and 30 June 2022, are as follows:

2023 Company	Salaries RM'000	Bonus RM'000	Fees RM'000	Defined contribution plan RM'000	Others* RM'000	Estimated money value of benefits in kind RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	4,824	804	-	675	1	-	6,304
Dato' Yeoh Seok Hong	4,584	764	-	642	1	5	5,996
Dato' Yeoh Seok Kian	2,412	402	-	338	1	-	3,153
Dato' Yeoh Soo Min	3,756	626	-	526	1	10	4,919
Dato' Yeoh Soo Keng	3,630	605	-	508	1	-	4,744
Dato' Mark Yeoh Seok Kah	2,064	344	-	289	1	-	2,698
Syed Abdullah Bin Syed Abd. Kadir	648	80	-	29	1	74	832
Non-Executive Directors							
Tan Sri Ismail Bin Adam	-	-	200	-	6	-	206
Datuk Seri Long See Wool	-	-	230	-	15	-	245
Datuk Loo Took Gee	-	-	230	-	15	-	245
Faiz Bin Ishak	-	-	230	-	15	-	245
	21,918	3,625	890	3,007	58	89	29,587

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

* *Includes SOCSO, meeting allowances, etc.*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7. TAXATION

Taxation charge for the financial year:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax:				
- Malaysian income tax	**11,540**	22,985	**1,786**	12,970
- Foreign income tax	**323,573**	81,481	**-**	-
Deferred taxation (Note 26)	**81,823**	82,837	**(9)**	(9)
	416,936	187,303	**1,777**	12,961
Current tax:				
- Current year	**382,228**	128,191	**497**	13,018
- (Over)/Under provision in prior years	**(47,115)**	(23,725)	**1,289**	(48)
Deferred taxation:				
- Originating and reversal of temporary differences	**81,823**	82,837	**(9)**	(9)
	416,936	187,303	**1,777**	12,961

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

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Numerical reconciliation between taxation and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation	**2,449,523**	1,641,990	**263,095**	2,257,918
Taxation calculated at the Malaysian tax rate of 24% (2022: 24%)	**587,886**	394,078	**63,143**	541,900
Tax effects of:				
- Share of profits of investments accounted for using the equity method	**(79,761)**	(80,310)	**-**	-
- Different tax rates in other countries	**(183,634)**	(34,726)	**-**	-
- Non-deductible expenses	**244,093**	262,676	**83,820**	183,958
- Income not subject to tax	**(130,949)**	(378,399)	**(146,475)**	(712,849)
- Temporary differences not recognised*	**26,416**	47,709	**-**	-
- (Over)/Under provision in prior years in relation to current tax	**(47,115)**	(23,725)	**1,289**	(48)
Taxation	**416,936**	187,303	**1,777**	12,961

7. TAXATION (CONTINUED)

* The tax effects of temporary differences not recognised are as follows:

	2023 RM'000	2022 RM'000
- Property, plant and equipment	**321,205**	310,906
- Unutilised tax losses	**307,867**	291,512
- Others	**6**	244

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

	2023 RM'000	2022 RM'000
Year of assessment 2028	**265,295**	266,137
Year of assessment 2030	**2,733**	2,603
Year of assessment 2031	**779**	700
Year of assessment 2032	**9,736**	22,072
Year of assessment 2033	**29,324**	-

The Group has undistributed earnings from subsidiaries incorporated outside Malaysia, could be subject to tax if distributed. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8. EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding the number of ordinary shares purchased by the Company and held as treasury shares.

	Group	
	2023	**2022 (Restated)**
Profit attributable to owners of the parent (RM'000)	**2,027,991**	1,476,796
Weighted average number of ordinary shares in issue ('000)	**8,102,154**	8,102,156
Basic earnings per share (sen)	**25.03**	18.23

(ii) Diluted earnings per share

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

	Group	
	2023	**2022 (Restated)**
Profit attributable to owners of the parent (RM'000)	**2,027,991**	1,476,796
Weighted average number of ordinary shares in issue ('000)	**8,102,154**	8,102,156
Adjustments for:		
– ESOS ('000)	**96,016**	41,698
Weighted average number of ordinary shares for diluted earnings per share ('000)	**8,198,170**	8,143,854
Diluted earnings per share (sen)	**24.74**	18.13

9. DIVIDENDS

	Group and Company 2023		Group and Company 2022	
	Gross dividend per share Sen	Amount of dividend RM'000	Gross dividend per share Sen	Amount of dividend RM'000
Dividend paid in respect of the financial year ended 30 June 2023:				
- First interim dividend of 2.5 sen per ordinary share paid on 28 June 2023	**2.5**	**202,554**	-	-
Dividend paid in respect of the financial year ended 30 June 2022:				
- First interim dividend of 2.0 sen per ordinary share paid on 29 June 2022	**-**	**-**	2.0	162,043
- Second interim dividend of 2.5 sen per ordinary share paid on 29 November 2022	**2.5**	**202,554**	-	-
Dividend paid in respect of the financial year ended 30 June 2021:				
- Second interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	**-**	**-**	2.5	202,554
	5.0	**405,108**	4.5	364,597

On 24 August 2023, the Board of Directors declared a second interim dividend of 3.5 sen per ordinary share for the financial year ended 30 June 2023. The book closure and payment dates in respect of the aforesaid dividend are 10 November 2023 and 29 November 2023, respectively.

The Board of Directors does not recommend a final dividend for the financial year ended 30 June 2023 (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

10. PROPERTY, PLANT AND EQUIPMENT

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

Group 2023	Land and buildings RM'000	Infrastructure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Equipment, furniture and fittings RM'000	Motor vehicles and aircraft RM'000	Telecom-munications equipment RM'000	Assets under construction RM'000	Total RM'000
Cost									
At 1 July 2022, as previously reported	6,223,342	9,650,232	17,458,390	15,524	935,149	381,413	3,425,127	1,511,112	39,600,289
Purchase price allocation ("PPA") adjustment*	(28,359)	-	427,143	-	-	555	-	-	399,339
At 1 July 2022, as restated	6,194,983	9,650,232	17,885,533	15,524	935,149	381,968	3,425,127	1,511,112	39,999,628
Exchange differences	544,663	1,068,510	1,660,722	-	94,057	33,639	-	144,429	3,546,020
Additions	4,518	21,403	16,563	-	4,399	655	3,920	2,293,861	2,345,319
Disposals	(613,323)	-	(1,702,354)	(15,524)	(11,475)	(27,840)	(146)	-	(2,370,662)
Written off	(1,593)	(1,031)	(297,025)	-	(2,225)	-	(1,285)	(558)	(303,717)
Transfer to intangible assets	-	-	-	-	-	-	-	(816)	(816)
Transfer on commissioning	279,243	589,780	954,878	-	29,188	33,275	20,180	(1,906,544)	-
At 30 June 2023	6,408,491	11,328,894	18,518,317	-	1,049,093	421,697	3,447,796	2,041,484	43,215,772
Accumulated depreciation and impairment									
At 1 July 2022, as previously reported	2,156,209	925,590	9,899,153	15,524	454,898	220,628	1,371,888	-	15,043,890
PPA adjustment*	(131)	-	1,521	-	-	16	-	-	1,406
At 1 July 2022, as restated	2,156,078	925,590	9,900,674	15,524	454,898	220,644	1,371,888	-	15,045,296
Exchange differences	166,402	105,218	845,554	-	44,697	18,538	-	-	1,180,409
Charge for the financial year	112,045	88,985	701,630	-	35,527	33,567	127,950	-	1,099,704
Disposals	(605,557)	-	(1,667,841)	(15,524)	(11,473)	(23,106)	(86)	-	(2,323,587)
Written off	(1,093)	(86)	(287,116)	-	(2,171)	-	(764)	-	(291,230)
At 30 June 2023	1,827,875	1,119,707	9,492,901	-	521,478	249,643	1,498,988	-	14,710,592
Net book value									
At 30 June 2023	4,580,616	10,209,187	9,025,416	-	527,615	172,054	1,948,808	2,041,484	28,505,180

Borrowing cost of RM53,861,225 at an interest rate of 5.9% was capitalised during the financial year 2023.

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

The Group revised the useful lives of certain property, plant and equipment during the financial year. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year ended 30 June 2023 decreased by RM31.9 million. Assuming the assets are held until the end of their estimated useful lives, depreciation in relation to these assets will be decreased by approximate RM124.6 million per annum.

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group 2022	Land and buildings RM'000	Infrastructure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Equipment, furniture and fittings RM'000	Motor vehicles and aircraft RM'000	Telecom-munications equipment RM'000	Assets under construction RM'000	Total RM'000
Cost									
At 1 July 2021	5,719,275	10,053,141	16,848,807	15,524	1,020,732	441,853	3,391,715	1,348,077	38,839,124
Exchange differences, as restated	(341,760)	(735,942)	(586,093)	-	(65,903)	(23,392)	-	(107,734)	(1,860,824)
Acquisition of a subsidiary, as restated*	80,183	-	1,090,241	-	23	1,236	-	-	1,171,683
Additions	429,223	42,284	8,263	-	1,771	1,370	700	1,369,789	1,853,400
Disposal of a subsidiary^	(5,954)	(67,391)	(9,506)	-	(83)	-	-	(20,028)	(102,962)
Disposals	-	-	(179)	-	(419)	(70,052)	(144)	-	(70,794)
Written off	(7,693)	(3,825)	(35,424)	-	(55,262)	(233)	(105)	(343)	(102,885)
Transfer from investment properties	-	-	-	-	-	-	-	84,383	84,383
Transfer from project development costs	200,003	-	-	-	-	-	-	-	200,003
Transfer to right-of-use assets	-	-	-	-	-	-	(11,500)	-	(11,500)
Transfer on commissioning	121,706	361,965	569,424	-	34,290	31,186	44,461	(1,163,032)	-
At 30 June 2022, as restated	6,194,983	9,650,232	17,885,533	15,524	935,149	381,968	3,425,127	1,511,112	39,999,628
Accumulated depreciation and impairment									
At 1 July 2021	2,162,790	915,749	9,557,437	15,524	501,455	246,523	1,238,735	-	14,638,213
Exchange differences, as restated	(107,050)	(69,498)	(289,312)	-	(29,565)	(12,513)	-	-	(507,938)
Charge for the financial year, as restated	105,808	86,643	668,957	-	37,861	39,383	137,206	-	1,075,858
Disposal of a subsidiary^	(2,270)	(6,461)	(1,894)	-	(83)	-	-	-	(10,708)
Disposals	-	-	(108)	-	(416)	(52,628)	-	-	(53,152)
Transfer to right-of-use assets	-	-	-	-	-	-	(4,281)	-	(4,281)
Written off	(3,200)	(843)	(34,406)	-	(54,354)	(121)	228	-	(92,696)
At 30 June 2022, as restated	2,156,078	925,590	9,900,674	15,524	454,898	220,644	1,371,888	-	15,045,296
Net book value									
At 30 June 2022, as restated	4,038,905	8,724,642	7,984,859	-	480,251	161,324	2,053,239	1,511,112	24,954,332

Borrowing cost of RM36,305,977 at an interest rate of 3.8% was capitalised during the financial year 2022.

* *This is in relation to a PPA adjustment on acquisition of a power plant and associated assets of Tuaspring Pte. Ltd. as disclosed in Note 14(f).*
^ *This is in relation to the disposal of Albion Water Limited as disclosed in Note 14(g).*

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group 2023	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 July 2022, as previously reported	765,431	5,457,911	6,223,342
PPA adjustment*	-	(28,359)	(28,359)
At 1 July 2022, as restated	765,431	5,429,552	6,194,983
Exchange differences	25,967	518,696	544,663
Additions	1,565	2,953	4,518
Disposals	-	(613,323)	(613,323)
Written off	-	(1,593)	(1,593)
Transfer on commissioning	860	278,383	279,243
At 30 June 2023	793,823	5,614,668	6,408,491
Accumulated depreciation			
At 1 July 2022, as previously reported	-	2,156,209	2,156,209
PPA adjustment*	-	(131)	(131)
At 1 July 2022, as restated	-	2,156,078	2,156,078
Exchange differences	-	166,402	166,402
Charge for the financial year	-	112,045	112,045
Disposals	-	(605,557)	(605,557)
Written off	-	(1,093)	(1,093)
At 30 June 2023	-	1,827,875	1,827,875
Net book value			
At 30 June 2023	793,823	3,786,793	4,580,616

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group 2022	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 July 2021	137,468	5,581,807	5,719,275
Exchange differences, as restated	(1,030)	(340,730)	(341,760)
Acquisition of a subsidiary, as restated*	-	80,183	80,183
Additions	428,899	324	429,223
Disposal of a subsidiary^	-	(5,954)	(5,954)
Written off	-	(7,693)	(7,693)
Transfer from project development costs	200,003	-	200,003
Transfer on commissioning	91	121,615	121,706
At 30 June 2022, as restated	765,431	5,429,552	6,194,983
Accumulated depreciation			
At 1 July 2021	-	2,162,790	2,162,790
Exchange differences, as restated	-	(107,050)	(107,050)
Charge for the financial year, as restated	-	105,808	105,808
Disposal of a subsidiary^	-	(2,270)	(2,270)
Written off	-	(3,200)	(3,200)
At 30 June 2022, as restated	-	2,156,078	2,156,078
Net book value			
At 30 June 2022, as restated	765,431	3,273,474	4,038,905

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

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

Impairment assessment of property, plant and equipment ("PPE") of a subsidiary

The recoverable amount of the PPE assessed as part of a cash generating unit ("CGU") is determined based on the fair value less costs of disposal ("FVLCD") calculation.

The following are the key assumptions applied in the FVLCD calculation for impairment assessment of PPE of a subsidiary in the telecommunications segment:

	2023	2022
Discount rate	**9.2%**	9.1%
Average service revenue growth rate	**49.4%**	18.4%
Terminal year earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin	**26.7%**	31.4%

The discount rate applied to the cash flow projections is derived from the cost of capital at the date of the assessment.

The cash flow projections used in the FVLCD calculation were based on approved financial budgets and forecasts covering a 5 year period, adjusted to reflect market participants assumptions. Cash flows beyond the 5 year period were extrapolated a further 12 (2022: 13) years representing the estimated useful lives of the PPE of the subsidiary, using the estimated long-term growth rate of 2.5% (2022: 2.5%).

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment of property, plant and equipment ("PPE") of a subsidiary (continued)

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

The carrying amount of the CGU as at 30 June 2023 is RM2.3 billion (2022: RM2.4 billion). No impairment charge was recognised as the recoverable amount of the CGU was in excess of its carrying amount.

If the discount rate increased by 4% (2022: 4%), the carrying value will be reduced by approximate RM68 million (2022: RM168 million). If the average service revenue growth rate reduced by 2% (2022: 2%), the carrying value will be reduced by approximate RM74 million (2022: RM150 million). And, if the terminal year EBITDA margin reduced by 7% (2022: 8%), the carrying value will be reduced by approximate RM21 million (2022: RM76 million).

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

Company 2023	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 July 2022	**745**	**2,187**	**2,932**
Additions	**90**	**–**	**90**
At 30 June 2023	**835**	**2,187**	**3,022**
Accumulated depreciation			
At 1 July 2022	**579**	**1,349**	**1,928**
Charge for the financial year	**70**	**180**	**250**
At 30 June 2023	**649**	**1,529**	**2,178**
Net book value			
At 30 June 2023	**186**	**658**	**844**
2022			
Cost			
At 1 July 2021	640	2,187	2,827
Additions	105	–	105
At 30 June 2022	745	2,187	2,932
Accumulated depreciation			
At 1 July 2021	530	1,152	1,682
Charge for the financial year	49	197	246
At 30 June 2022	579	1,349	1,928
Net book value			
At 30 June 2022	166	838	1,004

11. RIGHT-OF-USE ASSETS

Group 2023	Telecom-munications network site and equipment RM'000	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Others RM'000	Total RM'000
At 1 July 2022, as previously reported	**356,601**	**85,178**	**14,857**	**1,496**	**1,423**	**459,555**
PPA adjustment*	**-**	**(4,614)**	**-**	**-**	**-**	**(4,614)**
At 1 July 2022, as restated	**356,601**	**80,564**	**14,857**	**1,496**	**1,423**	**454,941**
Exchange differences	**-**	**3,123**	**1,144**	**270**	**331**	**4,868**
Additions	**51,005**	**-**	**1,075**	**1,920**	**3,721**	**57,721**
Depreciation charges for the financial year	**(127,865)**	**(7,851)**	**(5,605)**	**(656)**	**(1,688)**	**(143,665)**
Termination	**(16,108)**	**-**	**-**	**-**	**(30)**	**(16,138)**
Modification	**87,949**	**-**	**-**	**-**	**-**	**87,949**
At 30 June 2023	**351,582**	**75,836**	**11,471**	**3,030**	**3,757**	**445,676**
2022						
At 1 July 2021	396,231	72,665	19,294	2,991	207	491,388
Exchange differences, as restated	-	485	(362)	(146)	(80)	(103)
Acquisition of a subsidiary, as restated*	-	13,105	-	-	-	13,105
Additions	47,276	1,408	1,149	21	2,081	51,935
Depreciation charges for the financial year, as restated	(114,833)	(6,470)	(5,224)	(8)	(785)	(127,320)
Termination	(18,387)	-	-	(1,362)	-	(19,749)
Modification	39,095	(629)	-	-	-	38,466
Transfer from property, plant and equipment	7,219	-	-	-	-	7,219
At 30 June 2022, as restated	356,601	80,564	14,857	1,496	1,423	454,941

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

Company 2023	Buildings RM'000
At 1 July 2022	**-**
Additions	**1,073**
Depreciation charges for the financial year	**(805)**
At 30 June 2023	**268**

12. INVESTMENT PROPERTIES

The details of investment properties are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 July	**527,944**	635,004
Exchange differences	**55,155**	(42,169)
Transfer to property, plant and equipment	**-**	(84,383)
Fair value (loss)/gain	**(3,313)**	19,492
At 30 June	**579,786**	527,944

(a) Amounts recognised in Income Statement for investment properties

	Group	
	2023 RM'000	2022 RM'000
Rental income	**5,591**	6,695
Direct operating expenses generating rental income	**(5,591)**	(6,695)
Direct operating expenses that did not generate rental income	**(22,291)**	(16,293)
Fair value (loss)/gain recognised in other operating (expenses)/income	**(3,313)**	19,492

(b) Measuring investment properties at fair value

Details of the fair value is as follows:

			Range	
	Valuation technique	Significant unobservable input	2023	2022
Land and buildings in United Kingdom	Income approach	Unit density per acre	**18-28**	18-28

In determining the fair value, the valuer have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuation that may be materially different from the valuation as at reporting date. A 1.0% (2022: 0.5%) change in the discount rate would lead to a movement of RM11.4 million (2022: RM10.1 million) in the valuation.

12. INVESTMENT PROPERTIES (CONTINUED)

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

Management is satisfied that the valuation reflected in these statements is reasonable. In making this assessment, management has reviewed the estimated cash flows for the development and the future rent roll which continue to support the valuation presented within the financial statements. Management constantly monitors market data which shows conditions have been strong despite the cost of living crisis, further justifying the valuation included in these statements.

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

(c) Contractual obligations and restrictions

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

13. INTANGIBLE ASSETS

The details of intangible assets are as follows:

Group 2023	Contract rights RM'000	Goodwill on consolidation RM'000	Software assets RM'000	Others RM'000	Total RM'000
At 1 July 2022, as previously reported	**23,372**	**8,421,875**	**279,039**	**8,013**	**8,732,299**
PPA adjustment*	**-**	**(69,035)**	**-**	**-**	**(69,035)**
At 1 July 2022, as restated	**23,372**	**8,352,840**	**279,039**	**8,013**	**8,663,264**
Exchange differences	**1,466**	**710,548**	**29,156**	**746**	**741,916**
Additions	**163**	**-**	**60,532**	**6,265**	**66,960**
Amortisation charge for the financial year	**(2,432)**	**-**	**(56,619)**	**(3,076)**	**(62,127)**
Allowance for impairment	**-**	**-**	**(144)**	**-**	**(144)**
Transfer from property, plant and equipment	**-**	**-**	**816**	**-**	**816**
At 30 June 2023	**22,569**	**9,063,388**	**312,780**	**11,948**	**9,410,685**
2022					
At 1 July 2021	118,051	8,222,709	323,341	10,428	8,674,529
Exchange differences, as restated	409	178,392	(21,256)	(646)	156,899
Additions, as restated	62	–	68,738	–	68,800
Amortisation charge for the financial year	(2,384)	–	(61,709)	(1,769)	(65,862)
Allowance for impairment	(92,766)	(48,261)	(30,075)	–	(171,102)
At 30 June 2022, as restated	23,372	8,352,840	279,039	8,013	8,663,264

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

13. INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill

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

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

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

	Group	
	2023 RM'000	**2022 RM'000 (Restated)**
Power generation segment ("Singapore")	**8,475,867**	7,773,331
Water and sewerage segment (United Kingdom ("UK"))	**440,700**	440,700
Others	**146,821**	138,809
Total goodwill	**9,063,388**	8,352,840

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

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

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

	2023		2022	
	Singapore %	**UK %**	**Singapore %**	**UK %**
Discount rate	**6.53**	**2.96**	6.52	3.02
Terminal growth rate	**2.00**	**3.29**	2.00	1.48
Revenue growth rate	**3.37**	**4.39**	1.95	(0.17)

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

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

13. INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

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

For power generation segment ("Singapore"), cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated above. The growth rate did not exceed the long-term average growth rate in which the CGU operates.

The terminal growth rate indicates the expected growth of cash flows after the forecast period of five years.

The revenue growth rate is calculated using the Compound Annual Growth Rate method and applied on the current year's sales figures over the forecast period.

For water and sewerage segment ("UK"), cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a two-year (2022: three-year) period, to conform the final determinations approved by OFWAT, the economic regulator of the water sector in England and Wales.

(ii) Impact of possible change in key assumptions

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying amounts assuming no change in the other variables are as follows:

	2023		**2022**	
	Singapore	**UK**	**Singapore**	**UK**
	%	**%**	**%**	**%**
Discount rate	**12.60**	**15.10**	10.51	12.50
Terminal growth rate	**(8.10)**	**3.36**	(3.61)	1.07
Revenue growth rate	**0.80**	**(29.55)**	(2.49)	(13.87)

Based on the above assessment, no impairment charge for the goodwill was recognised for the financial year ended 30 June 2023 (2022: Nil) as the recoverable amount of the CGUs was in excess of its carrying amount.

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14. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	**2022 RM'000**
Unquoted shares, at cost	**24,236,871**	23,799,351
Accumulated impairment losses	**(5,330,403)**	(5,330,403)
	18,906,468	18,468,948

Details of the subsidiaries are as follows:

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by the Company:				
Equinox Solar Farm Sdn. Bhd.*	Malaysia	**100**	100	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services
Geneco EV (S) Pte. Ltd.*	Singapore	**100**	100	Electric vehicle charging station
Global Infrastructure Assets Sdn. Bhd.*	Malaysia	**70**	70	Investment holding
Suria Solar Farm Sdn. Bhd.*	Malaysia	**70**	100	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services
SIPP Power Sdn. Bhd.*	Malaysia	**70**	70	Development, construction, completion, maintenance and operation of a large scale solar power facility and investment holding
Wessex Water International Limited^	Cayman Islands	**100**	100	Dormant
YTL Communications Sdn. Bhd.*Ω	Malaysia	**60**	60	Provision of wired line and wireless broadband access and other related services
YTL Data Center Holdings Pte. Ltd.*	Singapore	**100**	100	Investment holding in companies that own and operate data centers
YTL DC Holdings Sdn. Bhd.†	Malaysia	**100**	-	Investment holding
YTL DC No.1 Pte. Ltd.*	Singapore	**100**	100	Investment holding in companies that own and operate data centers
YTL DC South Sdn. Bhd.*	Malaysia	**100**	100	Development, operation and marketing of data centre projects and related infrastructure, services and activities

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by the Company: (continued)				
YTL Digital Capital Sdn. Bhd.*	Malaysia	**100**	100	Investment holding
YTL Digital Payments Sdn. Bhd.*	Malaysia	**100**	100	Processing of digital payments via e-money platform
YTL Energy Holdings Sdn. Bhd.*	Malaysia	**100**	100	Investment holding
YTL Finance (Cyprus) Limited*	Cyprus	**100**	100	Financial services
YTL Infrastructure Holdings Sdn. Bhd.*	Malaysia	**100**	100	Investment holding
YTL Infrastructure Limited^	Cayman Islands	**100**	100	Investment holding
YTL Jawa O & M Holdings Limited*	Cyprus	**100**	100	Investment holding
YTL Jawa Power Holdings Limited*	Cyprus	**100**	100	Investment holding & financing activities
YTL Jordan Power Holdings Limited*	Cyprus	**100**	100	Investment holding & financing activities
YTL Jordan Services Holdings Limited*	Cyprus	**100**	100	Investment holding
YTL Power Resources Sdn. Bhd.*	Malaysia	**100**	100	Investment holding
YTL Power Australia Limited*	Cayman Islands	**100**	100	Investment holding
YTL Power Finance (Cayman) Limited^	Cayman Islands	**100**	100	Dormant
YTL Power Generation Sdn. Bhd.	Malaysia	**100**	100	Developing, constructing, completing, maintaining and operating power plants
YTL Power Holdings Sdn. Bhd.*	Malaysia	**100**	100	Dormant
YTL Power International Holdings Limited^	Cayman Islands	**100**	100	Investment holding
YTL Power Investments Limited*	Cayman Islands	**100**	100	Investment holding
YTL PowerSeraya Pte. Limited**	Singapore	**100**	100	The full value chain involved in the generation and sale of electricity. This includes the trading of fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process
YTL Power (Thailand) Limited^	Cayman Islands	**100**	100	Dormant
YTL Power Trading (Labuan) Ltd.¥	Malaysia	**-**	100	Dormant
YTL RE Holdings Sdn. Bhd.*	Malaysia	**100**	100	Investment holding

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by the Company: (continued)				
YTL Renewables Pte. Ltd.*	Singapore	**100**	100	Transmission, distribution and sale of electricity, engineering design and consultancy services in energy management and clean energy system
YTL Seraya Limited*	Cayman Islands	**100**	100	Investment holding
YTL SIPP Power Holdings Sdn. Bhd.*	Malaysia	**70**	70	Investment holding
YTL Southern Solar Sdn. Bhd.*	Malaysia	**100**	100	Investment holding, development, commissioning, operation and maintenance of solar photovoltaic power plant and transmission infrastructure and generation of electricity from green energy sources
YTL Utilities Holdings (S) Pte. Limited*	Singapore	**100**	100	Investment holding
YTL Utilities (S) Pte. Limited*	Singapore	**100**	100	Investment holding
YTL Utilities Limited*	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 2 Limited*	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 3 Limited^	Cayman Islands	**100**	100	Financial services
YTL Utilities Finance 4 Limited^	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 5 Limited*	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 6 Limited^	Cayman Islands	**100**	100	Financial services
YTL Utilities Finance 7 Limited^	Cayman Islands	**100**	100	Inactive
YTL Utilities Finance Limited^	Cayman Islands	**100**	100	Investment holding
YTL Utilities Holdings Limited*	Cayman Islands	**100**	100	Investment holding
YTL Utilities (UK) Limited*	England and Wales	**100**	100	Investment holding

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by YTL Utilities (UK) Limited:				
Wessex Water Limited*	England and Wales	**100**	100	Investment holding
YTL Events Limited^	England and Wales	**100**	100	Dormant
YTL Land and Property (UK) Ltd^	England and Wales	**100**	100	Investment holding
Subsidiaries held by YTL Land and Property (UK) Ltd:				
Brabazon Estates Limited^	England and Wales	**100**	100	Dormant
Dials At Brabazon Management Company Limited^	England and Wales	**100**	100	Dormant
Navigator At Brabazon Management Company Limited^	England and Wales	**100**	100	Dormant
YTL Arena Holdings Limited^	England and Wales	**100**	100	Investment holding
YTL Arena Limited*	England and Wales	**100**	100	Dormant
YTL Construction (UK) Limited^	England and Wales	**100**	–	Dormant
YTL Developments (UK) Limited*	England and Wales	**100**	100	Housing development
YTL Homes Ltd*	England and Wales	**100**	100	Housing development
YTL Places Limited^	England and Wales	**100**	100	Dormant
YTL Property Holdings (UK) Limited*	England and Wales	**100**	100	Housing development
Subsidiaries held by Wessex Water Limited:				
Entrade Limited^	England and Wales	**100**	100	Dormant
Flipper Limited#	England and Wales	**-**	100	Utility switching services
Geneco Limited^	England and Wales	**100**	100	Food waste treatment
Geneco (South West) Limited^	England and Wales	**100**	100	Food waste treatment
SC Technology GmbH*	Switzerland	**100**	100	Investment holding
SC Technology Nederland B.V.*	Netherlands	**100**	100	Waste treatment

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14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by Wessex Water Limited: (continued)				
SC Technology Deutschland GmbH*	Germany	**100**	100	Waste treatment
Turnbull Infrastructure & Utilities Limited*	England and Wales	**100**	100	Engineering services
Water 2 Business Limited*	England and Wales	**70**	70	Non-household water retailer
Wessex Concierge Limited^	England and Wales	**100**	100	Investment holding
Wessex Utility Solutions Limited^	England and Wales	**100**	100	Engineering services
Wessex Water Engineering Services Limited^	England and Wales	**100**	100	Dormant
Wessex Water Enterprises Limited*	England and Wales	**100**	100	Power generation and waste treatment
Wessex Water Pension Scheme Trustee Limited^	England and Wales	**100**	100	Dormant
Wessex Water Services Finance Plc.*	England and Wales	**100**	100	Issue of bonds
Wessex Water Services Limited*	England and Wales	**100**	100	Water supply and waste water services
Wessex Water Trustee Company Limited^	England and Wales	**100**	100	Dormant
YTL Engineering Limited^	England and Wales	**100**	100	Dormant
YTL Services Limited^	England and Wales	**100**	100	Dormant
Subsidiaries held by YTL Communications Sdn. Bhd.:				
Cellular Structures Sdn. Bhd.*	Malaysia	**60**	60	Inactive
Extiva Communications Sdn. Bhd. *(In Liquidation)*§	Malaysia	**60**	60	Inactive
ITS Mobility Sdn. Bhd.*	Malaysia	**60**	-	Investment holding
ITS Synergy Sdn. Bhd.*	Malaysia	**30.6**	-	Investment holding
KJS Alunan Sdn. Bhd.*	Malaysia	**42**	42	Investment holding
Konsortium Jaringan Selangor Sdn. Bhd.*	Malaysia	**60**	60	Planning, implementation and maintenance of telecommunication towers and telecommunication related services

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by YTL Communications Sdn. Bhd.: (continued)				
MLFF Technologies Sdn. Bhd.*	Malaysia	**30.6**	-	Construction, installation, integration, commissioning, operation, management and maintenance of all digital infrastructures and related services.
Yakin Telesel Sdn. Bhd.*	Malaysia	**29.4**	29.4	Planning, development, implementation and management of telecommunication infrastructure and information communication technologies services
YesLinc Sdn. Bhd.[β]	Malaysia	**-**	60	Inactive
YTL Broadband Sdn. Bhd.*	Malaysia	**60**	60	Provision of wired line and wireless broadband access and other related services
YTL Communications International Limited^	Cayman Islands	**60**	60	Investment holding
YTL Communications (S) Pte. Ltd.*	Singapore	**60**	60	Computer systems integration activities and system integration services
YTL Digital Sdn. Bhd.*	Malaysia	**60**	60	Inactive
YTL Global Networks Limited^	Cayman Islands	**60**	60	Dormant
Subsidiaries held by YTL Jawa O & M Holdings Limited:				
P.T. YTL Harta Indonesia^	Indonesia	**99.95**	99.95	Industrial estate
P.T. YTL Jawa Timur*	Indonesia	**99**	99	Construction management, consultancy services and power station operation services
P.T. YTL Power Services Indonesia^	Indonesia	**95**	95	Dormant
YTL Jawa O & M Holdings B.V.*	Netherlands	**100**	100	Investment holding and management services

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by YTL Jawa Power Holdings Limited:				
Bel Air Den Haag Beheer B.V.*	Netherlands	**100**	100	Investment holding
B.V. Hotel Bel Air Den Haag*	Netherlands	**100**	100	Hotel business
P.T. Tanjung Jati Power Company*	Indonesia	**80**	80	Design and construction of power generating facility
YTL Jawa Energy B.V.*	Netherlands	**100**	100	Investment holding, financing and management services
YTL Jawa Power B.V.*	Netherlands	**57.1**	57.1	Investment holding and management services
YTL Jawa Power Finance Limited*	Cayman Islands	**100**	100	Financial services
YTL Jawa Power Holdings B.V.*	Netherlands	**57.1**	57.1	Investment holding
Subsidiaries held by YTL Power Investments Limited:				
FrogAsia Sdn. Bhd.*	Malaysia	**100**	100	License reseller focused on providing virtual learning educational platform
Frog Education Group Limited*	England and Wales	**77.4**	68.9	Investment holding
Frog Education Limited*	England and Wales	**77.4**	68.9	Sales into the education market and further development of the web environment product
Frog Education Sdn. Bhd.*	Malaysia	**77.4**	68.9	License reseller focused on providing virtual learning educational platform
Granite Investments (Cayman Islands) Limited^	Cayman Islands	**100**	100	Dormant
YTL Education (UK) Limited^	England and Wales	**100**	100	Dormant

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Subsidiaries held by YTL PowerSeraya Pte. Limited:				
PetroSeraya Pte. Ltd.**	Singapore	**100**	100	Tank leasing and sale of fuel oil
Seraya Energy and Investment Pte. Ltd.**	Singapore	**100**	100	Investment holding
Seraya Energy Pte. Ltd.**	Singapore	**100**	100	Sale of electricity
Taser Power Pte. Ltd.**	Singapore	**100**	100	Generation and sale of electricity

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

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

^ *Entities are either exempted or not statutorily required to be audited.*

† *First set of the audited financial statements shall be made up of the financial period ended 30 June 2024.*

Ω *The Company owns RM4.42 billion (2022: RM4.07 billion) of Redeemable Cumulative Convertible Preference Shares ("RCCPS") of YTL Communications Sdn. Bhd. ("YTL Comms") which is classified as equity in the financial statements of YTL Comms. The Company has the preferential right to receive dividend and preference over holders of the ordinary shares on the return of capital upon liquidation for an amount equal to the amount paid plus any premium.*

§ *Commenced liquidation on 17 August 2021.*

\# *This subsidiary was dissolved on 5 July 2022 following its deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom.*

¥ *This subsidiary was dissolved on 6 September 2022 pursuant to Section 131A of the Labuan Companies Act 1990.*

ß *This subsidiary was dissolved on 8 November 2022 following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016.*

(a) Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

Group	NCI percentage of ownership interest and voting interest	Profit/(Loss) allocated to NCI RM'000	Carrying amount of NCI RM'000
2023			
YTL Jawa Power Holdings B.V.	**42.9%**	**129,102**	**682,610**
YTL Communications Sdn. Bhd.	**40.0%**	**(112,993)**	**(996,692)**
		16,109	**(314,082)**
2022			
YTL Jawa Power Holdings B.V.	42.9%	122,971	669,319
YTL Communications Sdn. Bhd.	40.0%	(82,047)	(881,978)
		40,924	(212,659)

The remaining non-controlling interests of the Group are individually immaterial.

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information before inter-company elimination is set out below:

	YTL Jawa Power Holdings B.V.		YTL Communications Sdn. Bhd.	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Non-current assets	**1,655,703**	1,620,834	**2,515,913**	2,589,746
Current assets	**971**	1,361	**555,728**	332,389
Non-current liabilities	**(19,553)**	(18,410)	**(299,663)**	(315,456)
Current liabilities	**(568)**	(802)	**(856,292)**	(753,545)
Net assets	**1,636,553**	1,602,983	**1,915,686**	1,853,134
Revenue	**631**	559	**600,957**	678,451
Profit/(Loss) for the financial year	**301,249**	286,943	**(283,554)**	(206,406)
Total comprehensive income/(loss)	**393,908**	375,487	**(287,148)**	(209,459)
Cash flow (used in)/from operating activities	**(21,003)**	(20,319)	**(2,649)**	150,760
Cash flow from/(used in) investing activities	**385,646**	362,742	**(50,846)**	(41,528)
Cash flow (used in)/from financing activities	**(364,563)**	(343,227)	**79,897**	(117,391)
Net increase/(decrease) in cash and cash equivalents	**80**	(804)	**26,402**	(8,159)
Dividends paid to NCI	**156,235**	147,092	**300**	300

(c) Impairment assessment for investment in a subsidiary

The recoverable amount of the investment in a subsidiary is determined based on the fair value less costs of disposal ("FVLCD") calculation.

The following are the key assumptions applied in the FVLCD calculation for impairment assessment of a subsidiary in the telecommunications segment:

	2023	**2022**
Discount rate	**10.3%**	10.3%
Terminal multiple	**13.0x**	14.1x
Average service revenue growth rate	**49.4%**	18.4%
Terminal year EBITDA margin	**28.2%**	33.0%

The discount rate applied to the cash flow projections are derived from the cost of equity at the date of the assessment of the investment in the subsidiary. The cash flow projections used in the FVLCD calculation were based on approved financial budgets and forecasts by management, adjusted to reflect market participants assumptions.

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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Impairment assessment for investment in a subsidiary (continued)

The circumstances where a change in key assumptions will result in the recoverable amount of investment in subsidiary to equal the corresponding carrying amount assuming no change in other variables are as follows:

	2023	2022
Discount rate	**12.3%**	12.2%
Terminal multiple	**11.9x**	13.0x
Average service revenue growth rate	**48.8%**	17.9%
Terminal year EBITDA margin	**26.2%**	30.9%

The carrying amount of the subsidiary is RM3.9 billion (2022: RM3.5 billion). No impairment charge was recognised as the recoverable amount was in excess of its carrying amount.

(d) Additional investments in subsidiaries

(i) During the financial year, the Company subscribed for an additional 350 million (2022: 220 million) Redeemable Cumulative Convertible Preference Shares in YTL Communications Sdn. Bhd. at a price of RM1.00 (2022: RM1.00) per share by capitalising the advances to YTL Communications Sdn. Bhd..

(ii) During the financial year, the Company subscribed for an additional 105 million Redeemable Preference Shares in YTL DC South Sdn. Bhd. at a price of RM1.00 per share by capitalising the advances to YTL DC South Sdn. Bhd..

(iii) During the financial year, the Company subscribed for an additional 40,019,999 ordinary shares in YTL Digital Capital Sdn. Bhd. at a price of RM1.00 per share by capitalising the advances to YTL Digital Capital Sdn. Bhd..

(iv) During the financial year, the Company subscribed for an additional 2,499,999 ordinary shares in YTL DC Holdings Sdn. Bhd. at a price of RM1.00 per share by capitalising the amounts owing by YTL DC Holdings Sdn. Bhd..

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

(e) Capital reduction in subsidiaries

During the financial year, the issued and paid-up share capital of YTL Power Generation Sdn. Bhd., a wholly-owned subsidiary of the Company, was reduced from RM115,790,000 comprising 532,426,470 ordinary shares and 1 special share to RM55,790,000 comprising 256,691,176 ordinary shares and 1 special share. The reduction of share capital was effected by returning paid-up capital of RM60,000,000 to the Company.

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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(f) Acquisition of a subsidiary

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

The Group reassessed the fair value of identified assets acquired and liabilities assumed on the date of acquisition via a purchase price allocation exercise. These were finalised in current financial year. Comparative figures have been adjusted. Fair values have been determined by independent, professionally qualified valuers using replacement costs or present value of expected net cash flows.

Details of consideration transferred and gain on bargain purchase recognised are as follows:

	As previously reported 2022 RM'000	PPA adjustment RM'000	As restated 2022 RM'000
Cash consideration	839,729	–	839,729
Fair value of net assets acquired	(771,915)	(338,632)	(1,110,547)
Provisional goodwill/(Gain on bargain purchase)	67,814	(338,632)	(270,818)

Details of the fair value of identifiable net assets acquired were as follows:

	As previously reported 2022 RM'000	PPA adjustment RM'000	As restated 2022 RM'000
Property, plant and equipment	779,408	392,275	1,171,683
Right-of-use assets	17,658	(4,553)	13,105
Inventories	42,663	–	42,663
Deferred taxation	–	(60,035)	(60,035)
Deferred liabilities	(67,814)	10,945	(56,869)
Identifiable net assets acquired	771,915	338,632	1,110,547

(i) Acquisition-related costs

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

(ii) Fair value of net assets acquired

The above fair value of identifiable assets acquired and liabilities assumed have been determined on a provisional basis in previous financial year and a provisional goodwill of RM67.8 million was recognised. The fair value of identifiable assets and liabilities were finalised during the financial year. A gain of bargain purchase of RM270.8 million was recognised and the comparative figures have been adjusted.

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(f) Acquisition of a subsidiary (continued)

(iii) Gain on bargain purchase

The acquisition resulted in a gain on bargain purchase of RM270.8 million because the fair value of assets acquired and liabilities assumed exceeded the consideration transferred. The gain of bargain purchase is due to the business being acquired from a receiver and manager process where the judicial manager has concluded that the sale of the business was the best possible outcome of the judicial management. The gain on bargain purchase has been recognised in "Other operating income" line of the Group's Income Statements for the year ended 30 June 2022.

(iv) Revenue and profit contribution

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

(v) Deferred liabilities

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

(g) Disposal of a subsidiary

During the previous financial year, Wessex Water Limited, an indirect subsidiary of the Company disposed its shareholdings in Albion Water Limited.

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

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

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Investment in joint ventures

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	**316,959**	296,922
Group's share of post-acquisition reserves	**(34,116)**	(106,931)
Group's share of net assets	**282,843**	189,991

Details of the joint venture companies are as follows:

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
AP1 Pte. Ltd.*	Singapore	**50.0**	50.0	Investment holding and operations of data centres
Attarat Mining Company B.V.	Netherlands	**45.0**	45.0	Mining and supply of oil shale
Attarat Operation and Maintenance Company B.V.	Netherlands	**45.0**	45.0	Operation and maintenance of power plant
Attarat Power Holding Company B.V.	Netherlands	**45.0**	45.0	Investment holding and financing activities
Bristol Wessex Billing Services Limited	England and Wales	**50.0**	50.0	Billing services
Xchanging Malaysia Sdn. Bhd.	Malaysia	**30.0**	30.0	Mobile internet and cloud-based technology solutions

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

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

(a) Investment in joint ventures (continued)

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

(i) Summarised financial information:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Non-current assets	**12,039,897**	10,171,057	**28,320**	8,874	**881,650**	770,153
Current assets	**884,227**	100,228	**467,102**	226,501	**51,550**	49,571
Non-current liabilities	**(11,202,925)**	(9,447,794)	**-**	-	**(592,444)**	(535,173)
Current liabilities	**(1,438,944)**	(555,952)	**(354,176)**	(201,628)	**(18,086)**	(15,547)
Net assets	**282,255**	267,539	**141,246**	33,747	**322,670**	269,004
(Loss)/Profit for the financial year	**(140,291)**	(78,889)	**101,270**	(108,701)	**28,000**	150,745
Other comprehensive income	**138,472**	312,684	**-**	-	**-**	-
Total comprehensive (loss)/income	**(1,819)**	233,795	**101,270**	(108,701)	**28,000**	150,745
Included in total comprehensive income is:						
Revenue	**1,247,632**	-	**535,243**	37,415	**77,635**	70,764
Other information:						
Cash and cash equivalents	**47,934**	4,145	**6,040**	4,931	**20,041**	29,227
Shareholder's loan and related interests	**(5,374,304)**	(4,236,826)	**-**	-	**(137,175)**	(118,664)
Bank borrowings	**(5,735,212)**	(5,202,829)	**-**	-	**(455,269)**	(416,481)
Derivative financial instruments	**174,617**	28,710	**-**	-	**-**	-

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

(a) Investment in joint ventures (continued)

(ii) Reconciliation of net assets to carrying amount:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.		Total	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Opening net assets, 1 July	**267,539**	22,592	**33,747**	138,616	**269,004**	-	**570,290**	161,208
Acquisition	**-**	-	**-**	-	**-**	113,500	**-**	113,500
(Loss)/Profit for the financial year	**(140,291)**	(78,889)	**101,270**	(108,701)	**28,000**	150,745	**(11,021)**	(36,845)
Other comprehensive income	**138,472**	312,684	**-**	-	**-**	-	**138,472**	312,684
Exchange differences	**16,535**	11,152	**6,229**	3,832	**25,666**	4,759	**48,430**	19,743
Closing net assets, 30 June	**282,255**	267,539	**141,246**	33,747	**322,670**	269,004	**746,171**	570,290
Interest in joint ventures	**45.0%**	45.0%	**45.0%**	45.0%	**50.0%**	50.0%		
Group's interest	**127,015**	120,393	**63,561**	15,186	**161,335**	134,502	**351,911**	270,081
Elimination of unrealised profits	**(127,015)**	(120,393)	**-**	-	**-**	-	**(127,015)**	(120,393)
Carrying amount	**-**	-	**63,561**	15,186	**161,335**	134,502	**224,896**	149,688

The individually immaterial joint ventures' carrying amount is RM57.9 million (2022: RM40.3 million), Group's share of profit is RM15.8 million (2022: RM9.6 million) and the Group's share of total comprehensive income is RM17.6 million (2022: RM10.7 million).

(b) Investment in associates

	Group	
	2023 RM'000	**2022 RM'000**
Unquoted shares, at cost	**900,508**	787,537
Group's share of post-acquisition reserves	**842,664**	857,557
Accumulated impairment losses	**(69,784)**	(65,441)
Group's share of net assets	**1,673,388**	1,579,653

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

(b) Investment in associates (continued)

Details of the associates are as follows:

Name	Country of incorporation	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
P.T. Jawa Power	Indonesia	**20.0***	20.0*	Operating a coal-fired thermal power station
Enefit Jordan B.V.	Netherlands	**30.0**	30.0	Investment holding and financing activities
Strides YTL Pte. Ltd.	Singapore	**49.9**	-	Provision of electric vehicle charging services
Sea Capital Services Berhad**	Malaysia	**40.02**	-	Financial services activities, except insurance/ takaful and pension funding, including but not limited to online digital financial services and other relevant services

* *The subgroup's direct interest in P.T. Jawa Power is 35%.*
** *On 28 April 2023, YTL Digital Capital Sdn. Bhd. subscribed for 40,020,000 ordinary shares, representing 40.02% of the issued and paid-up share capital of Sea Capital Services Berhad for a total consideration of RM40,020,000. Sea Capital Services Berhad was incorporated on 6 October 2022 and has an issued and paid-up share capital of RM100,000,000 comprising 100,000,000 ordinary shares.*

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

(i) Summarised financial information:

	P.T. Jawa Power		ElectraNet Pty. Ltd.#	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	**4,385,332**	4,295,878	**-**	-
Current assets	**1,432,204**	1,256,541	**-**	-
Non-current liabilities	**(676,942)**	(636,364)	**-**	-
Current liabilities	**(534,978)**	(402,760)	**-**	-
Net assets	**4,605,616**	4,513,295	**-**	-
Profit for the financial year	**921,344**	878,196	**-**	131,613
Other comprehensive income	**-**	-	**-**	117,306
Total comprehensive income	**921,344**	878,196	**-**	248,919
Included in the total comprehensive income is:				
Revenue	**2,523,144**	2,473,393	**-**	878,925
Other information:				
Dividends received from associate	**385,646**	362,742	**-**	-

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

(b) Investment in associates (continued)

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

(ii) Reconciliation of net assets to carrying amount:

	P.T. Jawa Power		ElectraNet Pty. Ltd.#		Total	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Opening net assets, 1 July	**4,513,295**	4,411,382	**-**	1,720,201	**4,513,295**	6,131,583
Profit for the financial year	**921,344**	878,196	**-**	131,613	**921,344**	1,009,809
Other comprehensive income	**-**	-	**-**	117,306	**-**	117,306
Disposal	**-**	-	**-**	(1,985,667)	**-**	(1,985,667)
Exchange differences	**272,824**	260,122	**-**	16,547	**272,824**	276,669
Dividend paid	**(1,101,847)**	(1,036,405)	**-**	-	**(1,101,847)**	(1,036,405)
Closing net assets, 30 June	**4,605,616**	4,513,295	**-**	-	**4,605,616**	4,513,295
Interest in associates	**35.0%**	35.0%	**-**	-		
Carrying amount	**1,611,966**	1,579,653	**-**	-	**1,611,966**	1,579,653

\# *During the previous financial year, YTL Power Investments Limited, an indirect wholly-owned subsidiary of the Company disposed of its 33.5% equity interest in ElectraNet Pty. Ltd. for a cash consideration of RM3.222 billion (AUD1.024 billion) resulting a gain on disposal of RM1.272 billion. The disposal had the following effects to the financial position of the Group for the previous financial year:*

	RM'000
Sales consideration net of transaction costs	*2,196,575*
Less: Carrying amount of loan notes	*(230,007)*
Consideration received	*1,966,568*
Less: Net assets disposed	*(665,198)*
Gain on disposal before reclassification of other comprehensive income items	*1,301,370*
Reclassification of hedging reserve	*(38,452)*
Reclassification of currency translation reserves	*9,341*
Gain on disposal	*1,272,259*

The individually immaterial associates' carrying amount is RM61.4 million (2022: Nil), Group's share of loss is RM2.3 million (2022: Nil) and the Group's share of total comprehensive loss is RM1.7 million (2022: Nil).

16. INVESTMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Financial assets at fair value through profit or loss	**60,714**	81,463	**-**	-
Financial assets at fair value through other comprehensive income ("OCI")*	**211,746**	213,263	**200,988**	193,364
	272,460	294,726	**200,988**	193,364
Current				
Financial assets at fair value through profit or loss	**1,236,200**	740,824	**418,660**	3

* *The investments are represented primarily by the Group's and the Company's investment in YTL Cement Berhad.*

(a) Financial assets at fair value through other comprehensive income

The investments are in relation to the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Equity investments				
Quoted in Malaysia	**43,591**	43,939	**43,591**	43,939
Quoted outside Malaysia	**25**	26	**-**	-
Unquoted outside Malaysia	**10,733**	19,873	**-**	-
Unquoted in Malaysia	**157,397**	149,425	**157,397**	149,425
	211,746	213,263	**200,988**	193,364
Fair value (loss)/gain recognised in OCI during the financial year	**(2,346)**	(9,597)	**7,624**	(9,596)

16. INVESTMENTS (CONTINUED)

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

The investments are in relation to the following:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Income funds*				
Quoted in Malaysia	**418,660**	3	**418,660**	3
Quoted outside Malaysia	**817,540**	740,821	**-**	-
Equity investments				
Unquoted outside Malaysia	**60,714**	81,463	**-**	-
	1,296,914	822,287	**418,660**	3
Fair value (loss)/gain recognised in the Income Statement during the financial year	**(14,172)**	(97,659)	**1,589**	(493)

* *Financial assets at fair value through profit or loss consist of investment in income funds placed with licensed financial institutions. The income funds are highly liquid and readily convertible to cash.*

17. PROJECT DEVELOPMENT COSTS

The details of project development costs are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
At 1 July	**-**	259,744
Exchange differences	**-**	4,640
Additions	**-**	2,196
Transfer to property, plant and equipment	**-**	(200,003)
Written off	**-**	(66,577)
At 30 June	**-**	-

The project development costs consist of land acquisition costs, professional fees and related costs was transferred to property, plant and equipment and written off accordingly during the previous financial year following a decision of the Group to achieve carbon neutrality in operations by 2050.

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group	
	Note	2023 RM'000	2022 RM'000
Non-current			
Contract assets	4(b)	**8,263**	2,084
Prepayments		**17,224**	6,927
Contract cost assets	4(b)	**943**	13
Deposits		**1,011**	930
Other receivables^		**363,845**	511,203
Receivables from joint ventures[Ω]		**2,481,828**	1,960,963
Less: Allowance for impairment of receivables from joint ventures	35(b)	**(33,919)**	(27,208)
Total receivables from joint ventures (net)		**2,447,909**	1,933,755
		2,839,195	2,454,912

^ *Other receivables include a receivable of RM358.3 million (2022: RM507.1 million) from a financial institution with an effective interest rate of 8.90% (2022: 6.08%) per annum. The receivable is repayable in full on 1 June 2027.*

Ω *Receivables from joint ventures mainly comprise a shareholder loan with an interest rate at 15.00% (2022: 15.00%) per annum. The shareholder loan and accrued interest are repayable on demand.*

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Trade receivables		**1,509,316**	1,291,242	**-**	-
Less: Allowance for impairment of trade receivables	35(b)	**(324,102)**	(281,234)	**-**	-
Total trade receivables (net)		**1,185,214**	1,010,008	**-**	-
Other receivables		**481,620**	332,012	**1,520**	3,989
Less: Allowance for impairment of other receivables	35(b)	**(36,549)**	(653)	**-**	-
Total other receivables (net)		**445,071**	331,359	**1,520**	3,989
Unbilled receivables		**1,961,246**	1,291,969	**-**	-
Less: Allowance for impairment of unbilled receivables	35(b)	**(6,686)**	(7,997)	**-**	-
Total unbilled receivables (net)		**1,954,560**	1,283,972	**-**	-
Contract assets	4(b)	**235,601**	154,389	**-**	-
Deposits		**45,624**	136,034	**105**	1
Interest receivable		**30,904**	2,531	**95**	298
Prepayments		**247,806**	511,969	**-**	215
Contract cost assets	4(b)	**37,387**	24,663	**-**	-
		4,182,167	3,454,925	**1,720**	4,503

The fair value of receivables approximate their carrying amounts.

Expected Credit Loss ("ECL") movement analysis is disclosed in Note 35(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2023

19. INVENTORIES

	Group	
	2023 RM'000	**2022 RM'000**
Finished goods	**22,974**	37,361
Freehold land held for property development *	**286,541**	183,973
Fuel	**49,884**	72,128
Spare parts	**182,910**	164,757
Raw materials	**41,379**	24,084
Work in progress	**9,467**	10,753
	593,155	493,056

* *Freehold land held for property development comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle. These are measured at the lower of cost and net realisable value. The net realisable value is assessed by considering the expected future revenues and the total costs to complete the development.*

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to RM111 million (2022: RM417 million). These were recognised as an expense during the financial year and included in 'cost of sales'.

20. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	Contractual notional amount	Fair value	
		Assets	Liabilities
2023	RM'000	RM'000	RM'000
Cash flow hedges:			
- Fuel oil swaps	**1,961,405**	**9,920**	**95,488**
- Currency forwards	**2,271,320**	**11,783**	**24,994**
Fair value through profit or loss:			
- Currency forwards	**247**	**-**	*****
		21,703	**120,482**
Current portion		**18,824**	**110,828**
Non-current portion		**2,879**	**9,654**
		21,703	**120,482**
2022			
Cash flow hedges:			
- Fuel oil swaps	1,616,795	390,643	8,606
- Currency forwards	1,914,237	39,619	315
- Electricity futures	14,404	5,352	13,425
Fair value through profit or loss:			
- Fuel oil swaps	8,543	884	745
- Currency forwards	3,612	-	16
		436,498	23,107
Current portion		415,891	21,740
Non-current portion		20,607	1,367
		436,498	23,107

* *Less than RM1,000.*

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in the Group's hedging strategy:

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness			
Group 2023	**Contractual notional amount RM'000**	**Assets/ (Liabilities) RM'000**	**Financial statement line item**	**Hedging instrument RM'000**	**Hedged item RM'000**	**Weighted average hedged rate**	**Maturity date**
Cash flow hedges							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions ("HSFO")	**54,668**	**1,715**	**Derivative financial instruments**	**(305,288)**	**305,288**	**RM1,829.7 per metric ton**	**July 2023 - April 2024**
- Fuel oil swap to hedge highly probable transactions ("LNG")	**454,081**	**(17,048)**	**Derivative financial instruments**	**(25,111)**	**25,111**	**RM352.1 per bbl**	**July 2023 - November 2023**
- Fuel oil swap to hedge highly probable transactions ("ICE BRENT")	**1,452,656**	**(70,235)**	**Derivative financial instruments**	**(153,551)**	**153,551**	**RM345.7 per barrel**	**July 2023 - November 2025**
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	**2,271,320**	**(13,211)**	**Derivative financial instruments**	**(58,793)**	**58,793**	**RM4.4: USD1.00**	**July 2023 - January 2026**
Electricity futures price risk							
- Electricity futures to hedge highly probable transactions	**-**	**-**	**Derivative financial instruments**	**1,245**	**(1,245)**	**RM451.1 per MWH**	**July 2022 - December 2022**
2022							
Cash flow hedges							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions ("HSFO")	808,266	351,157	Derivative financial instruments	710,406	(710,406)	RM1,764.4 per metric ton	July 2022 - April 2024
- Fuel oil swap to hedge highly probable transactions ("LNG")	331,696	21,909	Derivative financial instruments	27,195	(27,195)	RM445.3 per bbl	July 2022 - November 2022
- Fuel oil swap to hedge highly probable transactions ("ICE BRENT")	476,833	8,971	Derivative financial instruments	10,566	(10,566)	RM409.6 per barrel	July 2022 - June 2024
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	1,914,237	39,304	Derivative financial instruments	52,602	(52,602)	RM4.2: USD1.00	July 2022 - January 2025
Electricity futures price risk							
- Electricity futures to hedge highly probable transactions	14,404	(8,073)	Derivative financial instruments	(313,739)	313,739	RM426.0 per MWH	July 2022 - December 2022

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fuel oil swaps

Fuel oil swaps are entered into to hedge highly probable forecast fuel purchases that are expected to occur at various dates within 1 to 29 months (2022: 1 to 24 months) from financial year end. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the inventory of fuel upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently recognised in the Income Statement upon consumption of the underlying fuel.

The fair value of fuel oil swaps is determined using a benchmark fuel price index at the reporting date.

(b) Currency forwards

Currency forwards are entered into to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within 1 to 31 months (2022: 1 to 31 months) from financial year end. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Gains and losses relating to highly probable forecast fuel payments are recognised in the hedging reserve prior to the occurrence of these transactions and are transferred to the inventory of fuel upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently transferred to Income Statement upon consumption of the underlying fuel.

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

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

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

(c) Electricity futures

During the previous financial year, electricity futures are entered into to hedge highly probable forecast sale of electricity that are expected to occur at various dates within 6 months from financial year end. The electricity futures have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the Income Statement upon sale of the electricity.

The fair value of electricity futures is determined with reference to the Uniform Singapore Energy Price ("USEP") monthly and quarterly base load electricity futures prices quoted on Singapore Exchange ("SGX").

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2023

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

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

22. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries within 12 months are interest-free, unsecured, and repayable on demand except for net owing of RM68,762,017 (2022: Net advances of RM491,946,443) which bear interest rates ranging from 2.50% to 3.50% (2022: 1.95% to 2.51%) per annum. In addition, the amounts owing by/(to) subsidiaries within 12 months are also in respect of operational expense payments made on behalf by/of the Company.

The amounts owing by subsidiaries exceeding 12 months bear interest rates ranging from 3.20% to 15.00% (2022: 3.20% to 15.00%) per annum.

Details of the measurement of ECL is similar as other receivables are disclosed in Note 35(b) to the financial statements.

As at 30 June 2023, the Company has given corporate guarantees of RM72,863,980 (2022: RM19,036,488) to financial institutions for trade related financing facilities utilised by its subsidiaries.

23. CASH AND CASH EQUIVALENTS

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

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks		**6,775,700**	4,512,771	**446,545**	323,046
Cash and bank		**2,223,725**	2,367,245	**1,953**	1,505
Cash and bank balances		**8,999,425**	6,880,016	**448,498**	324,551
Bank overdrafts	27(a)	**(6,654)**	(95,792)	**-**	-
Deposits with maturity 90 days and more		**(265,689)**	-	**-**	-
Cash and cash equivalents		**8,727,082**	6,784,224	**448,498**	324,551

23. CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Deposits with licensed banks	**0.25 - 5.39**	0.01 - 2.20	**2.55 - 5.20**	1.85 - 2.10

Deposits of the Group and the Company have maturity ranging from 1 day to 90 days (2022: 1 day to 90 days) except for certain term deposits with maturity 90 days and more.

Bank balances are deposits held at call with banks.

The Group and the Company seek to invest cash and cash equivalents safely and profitably with creditworthy local and offshore licensed banks. The local licensed banks have a credit rating of P1 as rated by RAM Rating Services Bhd.. The offshore licensed banks have a credit rating of P1 and P2 as rated by Moody's Investors Service, Inc..

24. SHARE CAPITAL

	Group and Company	
	2023 RM'000	2022 RM'000
Issued and fully paid:		
At 1 July and 30 June:		
- 8,158,208,738 (2022: 8,158,208,738) ordinary shares	**7,038,587**	7,038,587

As at 30 June 2023, the Company holds 56,054,431 (2022: 56,053,431) shares as treasury shares. The number of ordinary shares in issue and fully paid after offsetting treasury shares are 8,102,154,307 (2022: 8,102,155,307).

24. SHARE CAPITAL (CONTINUED)

(a) Employees' Share Option Scheme 2021 ("ESOS 2021")

On 6 January 2021, the Company implemented a share issuance scheme known as the Employees' Share Option Scheme which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 1 December 2020. ESOS 2021 is valid for a period of ten (10) years and is for employees and Directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation as set out in the By-Laws of ESOS 2021 ("By-Laws"). The salient terms of ESOS 2021 are as follows:

(i) The maximum number of shares to be allotted and issued pursuant to the exercise of options which may be granted under ESOS 2021 shall not exceed fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) or such other percentage of the total number of issued shares of the Company (excluding treasury shares, if any) that may be permitted by Bursa Securities or any other relevant authorities from time to time throughout the duration of ESOS 2021.

(ii) Any person who is a Director and/or an employee of a corporation in the Group, who meets the following criteria as at the date of offer of an option ("Offer Date") shall be eligible for consideration and selection by the Options Committee (as defined in the By-Laws) to participate in ESOS 2021:

(a) the person has attained the age of eighteen (18) years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;

(b) the person, save for a non-executive Director, must be on the payroll of a company within the Group; and

- he is employed on a full time basis, has not served a notice to resign or received a notice of termination; or
- he is serving in a specific designation under an employment contract for a fixed duration, excluding those who are employed on a short-term contract or any other employees under contract as may be determined by the Options Committee;

(c) the person's employment, save for a non-executive Director, is for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service; and

(d) the person fulfils any other criteria and/or falls within such category as may be set by the Options Committee from time to time.

(iii) Subject to the Bursa Securities Listing Requirements and any adjustments in accordance with By-Law 13, the subscription price for shares under ESOS 2021 shall be determined by the Board of Directors of the Company upon recommendation of the Options Committee and shall be fixed based on the 5-day volume weighted average market price of shares, as quoted on Bursa Securities, immediately preceding the Offer Date (as defined in the By-Laws) of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the scheme period.

(iv) Subject to By-Law 13, the Options Committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period. Notwithstanding the above, and subject to By-Laws 10 and 11, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date.

(v) Subject to By-Law 12.2, a grantee shall be prohibited from disposing of the shares allotted and issued to him through the exercise of the option(s) for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the Options Committee at its sole and absolute discretion.

24. SHARE CAPITAL (CONTINUED)

(a) Employees' Share Option Scheme 2021 ("ESOS 2021") (continued)

The movement during the financial year in the number of share options of the Company is as follows:

			<---------------------- Number of share options ---------------------->				
Grant date	**Expiry date**	**Exercise price RM/share**	**At 1 July 2022 '000**	**Granted '000**	**Exercised '000**	**Lapsed '000**	**At 30 June 2023 '000**
27.01.2022	05.01.2031	0.56	**208,489**	**-**	**-**	**(4,965)**	**203,524**
23.05.2022	05.01.2031	0.70	**43,263**	**-**	**-**	**(21,713)**	**21,550**
			251,752	**-**	**-**	**(26,678)**	**225,074**

The movement during the previous financial year in the number of share options of the Company is as follows:

			<---------------------- Number of share options ---------------------->				
Grant date	**Expiry date**	**Exercise price RM/share**	**At 1 July 2021 '000**	**Granted '000**	**Exercised '000**	**Lapsed '000**	**At 30 June 2022 '000**
27.01.2022	05.01.2031	0.56	-	217,969	-	(9,480)	208,489
23.05.2022	05.01.2031	0.70	-	43,263	-	-	43,263
			-	261,232	-	(9,480)	251,752

The fair value of options granted in which MFRS 2 "Share-based Payment" applies, were determined using the Trinomial Valuation model.

Value of employee services received for issue of share options:

	Group		**Company**	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Share option expenses	**8,963**	2,618	**8,963**	2,618
Allocation to subsidiaries	**-**	-	**(3,428)**	(774)
Allocation to related companies	**(56)**	-	**(56)**	-
Total share option expenses	**8,907**	2,618	**5,479**	1,844

24. SHARE CAPITAL (CONTINUED)

(a) Employees' Share Option Scheme 2021 ("ESOS 2021") (continued)

The principal valuation assumptions used in respect of the Group's and Company's employees' share option scheme were as follows:

	ESOS 2021
Weighted average share price at date of grant (per share)	RM0.61 – RM0.78
Expected volatility	26.50% – 28.52%
Expected dividend yield	5.16% – 6.63%
Expected option life	5.62 years – 5.94 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	2.83% – 3.49%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

There were no grants vested during the financial year under ESOS 2021.

25. RESERVES

(a) Other reserves

Group	Capital redemption reserve[2] RM'000	Capital reserve RM'000	FVOCI reserve RM'000	Hedging reserve RM'000	Statutory reserve[1] RM'000	Share option reserve RM'000	Total other reserves RM'000
At 1 July 2022	**52,200**	**(8,515)**	**56,122**	**461,913**	**37,619**	**2,618**	**601,957**
Exchange differences	**-**	**(529)**	**(405)**	**16,181**	**2,433**	**-**	**17,680**
Effects arising from changes in composition of the Group	**-**	**-**	**-**	**-**	**1,087**	**-**	**1,087**
Fair value loss	**-**	**-**	**(2,346)**	**(479,186)**	**-**	**-**	**(481,532)**
Reclassification to Income Statement	**-**	**-**	**-**	**(31,912)**	**-**	**-**	**(31,912)**
Share option expenses	**-**	**-**	**-**	**-**	**-**	**8,963**	**8,963**
At 30 June 2023	**52,200**	**(9,044)**	**53,371**	**(33,004)**	**41,139**	**11,581**	**116,243**
At 1 July 2021	52,200	(8,030)	65,609	129,827	35,474	-	275,080
Exchange differences	-	(485)	(1)	8,886	2,145	-	10,545
Fair value (loss)/gain	-	-	(9,597)	616,002	-	-	606,405
Reclassification of reserves upon disposal of an associate	-	-	-	38,452	-	-	38,452
Reclassification to Income Statement	-	-	-	(331,254)	-	-	(331,254)
Reclassification upon disposal of investment at fair value through other comprehensive income	-	-	111	-	-	-	111
Share option expenses	-	-	-	-	-	2,618	2,618
At 30 June 2022	52,200	(8,515)	56,122	461,913	37,619	2,618	601,957

25. RESERVES (CONTINUED)

(a) Other reserves (continued)

Company	FVOCI reserve RM'000	Share option reserve RM'000	Total other reserves RM'000
At 1 July 2022	**56,097**	**2,618**	**58,715**
Fair value gain	**7,624**	**-**	**7,624**
Share option expenses	**-**	**8,963**	**8,963**
At 30 June 2023	**63,721**	**11,581**	**75,302**
At 1 July 2021	65,582	-	65,582
Fair value loss	(9,596)	-	(9,596)
Reclassification upon disposal of investment at fair value through other comprehensive income	111	-	111
Share option expenses	-	2,618	2,618
At 30 June 2022	56,097	2,618	58,715

Note:

(1) *This represents reserves which need to be set aside pursuant to local statutory requirement of foreign associates.*

(2) *This relates to non-distributable capital redemption reserve of a subsidiary.*

(b) Treasury shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Twenty-Sixth Annual General Meeting held on 6 December 2022. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 1,000 (2022: 2,000) of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.77 (2022: RM0.70) per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

26. DEFERRED TAXATION

The following amounts, determined after appropriate offsetting, are shown in the Statements of Financial Position:

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Deferred tax liabilities, net	**3,340,624**	3,032,978	**70**	79

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
At 1 July	**3,032,978**	2,940,500	**79**	88
PPA adjustment*	**-**	60,035	**-**	-
Exchange differences	**309,057**	(186,429)	**-**	-
Charged/(Credited) to Income Statement				
- Property, plant and equipment	**98,895**	73,341	**(9)**	(9)
- Retirement benefits	**53,347**	9,253	**-**	-
- Provision	**(2,945)**	(464)	**-**	-
- Tax losses	**(66,824)**	1,285	**-**	-
- Leases	**-**	(239)	**-**	-
- Others	**(650)**	(339)	**-**	-
	81,823	82,837	**(9)**	(9)
(Credited)/Charged to Other Comprehensive Income^	**(83,234)**	136,035	**-**	-
At 30 June	**3,340,624**	3,032,978	**70**	79

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

^ *This is in relation to re-measurement of post-employment benefit obligations.*

26. DEFERRED TAXATION (CONTINUED)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	Group		Company	
	2023 RM'000	**2022 RM'000 (Restated)**	**2023 RM'000**	**2022 RM'000**
Subject to income tax				
Deferred tax assets before offsetting:				
- Retirement benefits	**3,656**	3,216	**-**	-
- Provision	**19,478**	15,033	**-**	-
- Tax losses	**82,066**	7,095	**-**	-
- Leases	**970**	970	**-**	-
- Others	**4,435**	5,448	**-**	-
	110,605	31,762	**-**	-
Offsetting	**(110,605)**	(31,762)	**-**	-
Deferred tax assets after offsetting	**-**	-	**-**	-
Deferred tax liabilities before offsetting:				
- Property, plant and equipment	**3,414,275**	3,000,930	**70**	79
- Retirement benefits	**17,122**	44,748	**-**	-
- Others	**19,832**	19,062	**-**	-
	3,451,229	3,064,740	**70**	79
Offsetting	**(110,605)**	(31,762)	**-**	-
Deferred tax liabilities after offsetting	**3,340,624**	3,032,978	**70**	79

27. BORROWINGS

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Bank overdrafts	27(a),23	**6,654**	95,792	**-**	-
Bonds	27(b)	**1,034,473**	1,000,000	**500,000**	1,000,000
Hire purchase		**34**	33	**-**	-
Revolving credit	27(c)	**1,046,063**	1,274,871	**741,563**	850,688
Term loans	27(d)	**1,914,412**	84,963	**-**	-
Trade loans	27(e)	**309**	21,382	**-**	-
		4,001,945	2,477,041	**1,241,563**	1,850,688
Non-current					
Bonds	27(b)	**18,899,218**	14,657,981	**5,735,667**	4,294,666
Hire purchase		**107**	141	**-**	-
Revolving credit	27(c)	**974,226**	1,015,437	**461,151**	-
Term loans	27(d)	**7,608,805**	9,586,238	**-**	-
		27,482,356	25,259,797	**6,196,818**	4,294,666
Total					
Bank overdrafts	27(a),23	**6,654**	95,792	**-**	-
Bonds	27(b)	**19,933,691**	15,657,981	**6,235,667**	5,294,666
Hire purchase		**141**	174	**-**	-
Revolving credit	27(c)	**2,020,289**	2,290,308	**1,202,714**	850,688
Term loans	27(d)	**9,523,217**	9,671,201	**-**	-
Trade loans	27(e)	**309**	21,382	**-**	-
		31,484,301	27,736,838	**7,438,381**	6,145,354

All borrowings of the subsidiaries are unsecured and are on a non-recourse basis to the Company save and except for borrowings totalling RM1,240,608,700 (2022: RM1,206,981,967), for which the Company has provided corporate guarantees to the financial institutions.

The weighted average effective interest rate of the borrowings of the Group and the Company as at reporting date is as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Bank overdrafts	**3.17**	1.75	**-**	-
Bonds	**5.89**	4.60	**4.94**	4.88
Hire purchase	**2.01**	2.01	**-**	-
Revolving credit	**4.22**	1.68	**5.27**	2.75
Term loans	**5.16**	1.78	**-**	-
Trade loans	**4.22**	2.95	**-**	-

27. BORROWINGS (CONTINUED)

The financial periods in which the borrowings of the Group attain maturity are as follows:

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2023				
Bank overdrafts	**6,654**	**-**	**-**	**6,654**
Bonds	**1,034,473**	**4,966,951**	**13,932,267**	**19,933,691**
Hire purchase	**34**	**107**	**-**	**141**
Revolving credit	**1,046,063**	**974,226**	**-**	**2,020,289**
Term loans	**1,914,412**	**6,106,749**	**1,502,056**	**9,523,217**
Trade loans	**309**	**-**	**-**	**309**
	4,001,945	**12,048,033**	**15,434,323**	**31,484,301**
At 30 June 2022				
Bank overdrafts	95,792	-	-	95,792
Bonds	1,000,000	4,159,665	10,498,316	15,657,981
Hire purchase	33	141	-	174
Revolving credit	1,274,871	1,015,437	-	2,290,308
Term loans	84,963	9,586,238	-	9,671,201
Trade loans	21,382	-	-	21,382
	2,477,041	14,761,481	10,498,316	27,736,838

The financial periods in which the borrowings of the Company attain maturity are as follows:

Company	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2023				
Bonds	**500,000**	**3,790,667**	**1,945,000**	**6,235,667**
Revolving credit	**741,563**	**461,151**	**-**	**1,202,714**
	1,241,563	**4,251,818**	**1,945,000**	**7,438,381**
At 30 June 2022				
Bonds	1,000,000	3,694,666	600,000	5,294,666
Revolving credit	850,688	-	-	850,688
	1,850,688	3,694,666	600,000	6,145,354

27. BORROWINGS (CONTINUED)

The carrying amounts of borrowings of the Group and the Company at the reporting date approximated their fair values except for the bonds.

The fair value of the bonds of the Group and the Company as at the reporting date are as set out below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Islamic Medium Term Notes ("IMTNs")	**1,761,980**	–	**1,761,980**	–
Islamic Medium Term Notes ("Sukuk Murabahah")	**2,568,000**	2,509,250	**2,568,000**	2,509,250
Medium Term Notes ("MTNs")	**2,055,694**	2,808,670	**2,055,694**	2,808,670
3.52% Retail Price Index Guaranteed Bonds	**295,966**	277,377	**-**	–
5.125% Guaranteed Unsecured Bonds	**1,674,673**	–	**-**	–
5.75% Guaranteed Unsecured Bonds	**2,028,964**	2,150,258	**-**	–
5.375% Guaranteed Unsecured Bonds	**1,142,522**	1,164,432	**-**	–
1.75% Index Linked Guaranteed Bonds	**1,870,211**	1,616,416	**-**	–
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,954,705**	1,768,908	**-**	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,946,925**	1,761,868	**-**	–
2.186% Index Linked Guaranteed Bonds	**277,970**	351,131	**-**	–
1.5% Guaranteed Unsecured Bonds	**1,183,084**	920,823	**-**	–
1.25% Guaranteed Unsecured Bonds	**1,049,294**	1,106,674	**-**	–
	19,809,988	16,435,807	**6,385,674**	5,317,920

The fair values are within Level 1 of the fair value hierarchy.

(a) Bank overdrafts

Bank overdrafts of RM6,654,033 (GBP1,127,000) (2022: RM95,791,869 (GBP17,928,480)) are unsecured borrowings of Wessex Water Limited and its subsidiary companies. The overdrafts are repayable in full on demand. The borrowing bears interest rates ranging from 2.25% to 5.75% (2022: 1.10% to 2.25%) per annum.

(b) Bonds

(i) Medium Term Notes ("MTNs")

The MTNs of the Company were issued pursuant to a Medium Term Notes programme of up to RM5,000,000,000 constituted by a Trust Deed and Programme Agreement, both dated 11 August 2011. MTNs of RM2,025,000,000 (2022: RM2,800,000,000) remained outstanding as at 30 June 2023. The MTNs bear coupons ranging from 4.62% to 5.05% (2022: 4.49% to 4.99%) per annum and are repayable in full between 24 August 2023 and 24 August 2028 (2022: 24 March 2023 and 24 August 2028).

(ii) Islamic Medium Term Notes ("Sukuk Murabahah")

The Sukuk Murabahah of the Company was issued pursuant to an Islamic Medium Term Notes facility of up to RM2,500,000,000 in nominal value under the Shariah principle of Murabahah (via Tawarruq Arrangement) constituted by a Trust Deed and Facility Agency Agreement, both dated 20 April 2017. Sukuk Murabahah of RM2,495,666,726 (2022: RM2,494,665,968) remained outstanding as at 30 June 2023. The Sukuk Murabahah bears a profit rate of 5.05% (2022: 5.05%) per annum and is repayable in full on 3 May 2027.

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(iii) Islamic Medium Term Notes ("IMTNs")

The IMTNs of the Company were issued pursuant to Islamic Commercial Papers/Islamic Medium Term Notes programme of up to RM7,500,000,000 constituted by a Trust Deed and Programme Agreement, both dated 13 March 2023. IMTNs of RM1,715,000,000 remained outstanding as at 30 June 2023. The IMTNs bear profit rates ranging from 4.45% to 4.99% per annum and are repayable in full between 24 March 2026 and 24 March 2033.

(iv) 3.52% Retail Price Index Guaranteed Bonds ("RPIG Bonds")

The RPIG Bonds of Wessex Water Services Finance Plc. of GBP50,000,000 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 2023 is 7.27% (2022: 6.37%) per annum. The RPIG Bonds redeemed in full by Issuer on 30 July 2023 at their indexed value together with all accrued interest.

(v) 5.75% Guaranteed Unsecured Bonds

On 15 October 2003, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP350,000,000 nominal value 5.75% Guaranteed Unsecured Bonds due 2033 ("5.75% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited, a subsidiary of the Group. The 5.75% GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of 5.75% GU Bonds issued amounted to GBP350,000,000 and as at 30 June 2023 GBP347,122,247 (2022: GBP346,914,254) remained outstanding, net of amortised fees and discount. The net proceeds of the 5.75% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year. The Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest.

(vi) 5.375% Guaranteed Unsecured Bonds

On 10 March 2005, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP200,000,000 nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ("5.375% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 5.375% GU Bonds are constituted under a Trust Deed dated 10 March 2005. The nominal value of 5.375% GU Bonds issued amounted to GBP200,000,000, of which GBP199,228,418 (2022: GBP199,088,549) remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.375% per annum, payable annually on 10 March of each year. The Bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with all accrued interest.

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(vii) 1.75% Index Linked Guaranteed Bonds

On 31 July 2006, Wessex Water Services Finance Plc. ("Issuer") issued two (2) tranches of GBP75,000,000 nominal value 1.75% Index Linked Guaranteed Bonds ("ILG Bonds 1") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 1 was each constituted under a Trust Deed dated 31 July 2006 and is unsecured.

The ILG Bonds 1 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2023 is 3.24% (2022: 2.84%) per annum. The Bonds will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche at their indexed value together with all accrued interest.

(viii) 1.369% and 1.374% Index Linked Guaranteed Bonds

On 31 January 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP75,000,000 nominal value 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value 1.374% Index Linked Guaranteed Bonds, both due 2057 ("ILG Bonds 2") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 2 were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The ILG Bonds 2 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2023 is 2.54% (2022: 2.23%) per annum. The Bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest.

(ix) 1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds

On 28 September 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP50,000,000 nominal value 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds 3") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 3 were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The ILG Bonds 3 bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2023 is 2.69% (2022: 2.37%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest.

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(x) 2.186% Index Linked Guaranteed Bonds

On 7 September 2009, Wessex Water Services Finance Plc. ("Issuer") issued GBP50,000,000 nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ("ILG Bonds 4") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 4 were constituted under a Trust Deed dated 7 September 2009 and are unsecured.

The ILG Bonds 4 bear interest semi-annually on 1 December and 1 June at an interest rate of 2.186% initially, indexed up by the inflation rate every half year. The effective interest rate as at 30 June 2023 is 3.76% (2022: 3.31%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

(xi) 5% Guaranteed Unsecured Bonds

On 17 September 2019, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP250,000,000 nominal value 1.5% Guaranteed Unsecured Bonds due 2029 (retaining GBP50,000,000) ("1.5% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.5% GU Bonds are constituted under a Trust Deed dated 17 September 2019. On 15 June 2020, the retained GBP50,000,000 nominal value 1.5% Guaranteed Unsecured Bonds due 2029 was issued.

The nominal value of 1.5% GU Bonds issued amounted to GBP250,000,000, of which GBP248,262,420 (2022: GBP248,001,336) remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.5% per annum, payable annually on 17 September of each year. The Bonds will be redeemed in full by the Issuer on 17 September 2029 at their nominal value together with all accrued interest.

(xii) 1.25% Guaranteed Unsecured Bonds

On 12 January 2021, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP300,000,000 nominal value 1.25% Guaranteed Unsecured Bonds due 2036 ("1.25% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.25% GU Bonds are constituted under a Trust Deed dated 12 January 2021. The nominal value of 1.25% GU Bonds issued amounted to GBP300,000,000, of which GBP295,506,895 (2022: GBP295,179,730) remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the 1.25% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.25% per annum, payable annually on 12 January of each year. The Bonds will be redeemed in full by the Issuer on 12 January 2036 at their nominal value together with all accrued interest.

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(xiii) 5.125% Guaranteed Unsecured Sustainable Bonds

On 24 March 2023, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP300,000,000 nominal value 5.125% Guaranteed Unsecured Sustainable Bonds due 2032 ("5.125% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 5.125% GU Bonds are constituted under a Trust Deed dated 24 March 2023. The nominal value of 5.125% GU Bonds issued amounted to GBP300,000,000, of which GBP298,009,828 remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the 5.125% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.125% per annum, payable annually on 31 October of each year. The Bonds will be redeemed in full by the Issuer on 31 October 2032 at their nominal value together with all accrued interest.

(c) Revolving credit

(i) Revolving credit denominated in Ringgit Malaysia

RM450,000,000 Revolving Credit

During the financial year, the Company restructured the revolving credit of USD100,000,000 (see Note 27(c)(iii) to the financial statements) to a revolving credit facility of RM450,000,000. The USD100,000,000 was converted to RM441,562,500 and remained outstanding as at 30 June 2023. The borrowing bears interest rates ranging from 4.47% to 4.76% per annum and is repayable on demand.

RM300,000,000 Revolving Credit

Revolving credit facilities of RM300,000,000 was obtained by the Company, bears interest rates ranging from 3.21% to 4.31% (2022: 2.95% to 3.20%) per annum and is repayable on demand.

RM4,500,000 Revolving Credit

Revolving credit facilities of RM4,500,000 was obtained by Konsortium Jaringan Selangor Sdn. Bhd., a subsidiary of the Group which is guaranteed by the Company. The borrowing bears interest rates ranging from 3.30% to 4.35% (2022: 3.01% to 3.30%) per annum and is repayable on demand.

RM300,000,000 Revolving Credit

Revolving credit facilities of RM300,000,000 was obtained by YTL Communications Sdn. Bhd., a subsidiary of the Company which is guaranteed by the Company. The borrowing bears interest rates ranging from 3.31% to 4.41% (2022: 3.05% to 3.31%) per annum and is repayable on demand.

27. BORROWINGS (CONTINUED)

(c) Revolving credit (continued)

(ii) Revolving credit denominated in Great British Pounds

GBP7,650,000 Revolving Credit

Revolving credit facilities of RM45,167,130 (GBP7,650,000) (2022: RM75,069,150 (GBP14,050,000)) is an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 1.84% to 5.35% (2022: 0.81% to 1.84%) per annum and is repayable in full on 27 August 2024.

GBP21,700,000 Revolving Credit

Revolving credit facilities of RM128,121,140 (GBP21,700,000) (2022: RM119,683,200 (GBP22,400,000)) is an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 1.74% to 5.50% (2022: 0.99% to 1.74%) per annum and is repayable in full on 28 February 2025.

GBP5,550,000 Revolving Credit

Revolving credit facilities of RM32,768,310 (GBP5,550,000) was drawn down by Wessex Water Limited during the financial year and repayable in full on 29 November 2024. The borrowing is an unsecured loan and bears interest rates ranging from 4.55% to 5.50% per annum.

GBP52,000,000 Revolving Credit

Revolving credit facilities of RM307,018,400 (GBP52,000,000) (2022: RM165,633,000 (GBP31,000,000)) is an unsecured loan of YTL Utilities (UK) Limited. The borrowing bears interest rates ranging from 2.76% to 6.00% (2022: 1.47% to 2.76%) per annum and is repayable in full on 8 January 2025.

GBP145,000,000 Revolving Credit

Revolving credit facilities of RM774,735,000 (GBP145,000,000) of previous financial year was an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 1.42% to 3.91% (2022: 1.31% to 1.42%) per annum and was fully repaid during the financial year.

(iii) Revolving credit denominated in US Dollar

USD125,000,000 Revolving Credit

Revolving credit facilities of RM550,687,500 (USD125,000,000) bearing interest rates ranging from 3.32% to 6.33% (2022: 1.95% to 2.51%) per annum were partially repaid to USD100,000,000 and were converted to RM441,562,500 under a revolving credit facility of RM450,000,000 during the financial year.

USD100,000,000 Revolving Credit

Revolving credit facilities of RM467,900,000 (USD100,000,000) was obtained by the Company during the financial year of which RM461,150,917 (USD98,557,580) remained outstanding as at 30 June 2023, net of amortised fees. The borrowing bears interest rates ranging from 4.90% to 6.61% per annum and is repayable on 19 October 2027.

27. BORROWINGS (CONTINUED)

(d) Term loans

(i) Term loans denominated in Great British Pounds

GBP200,000,000 Unsecured Term Loan

The term loans of RM1,180,840,000 (GBP200,000,000) (2022: RM1,068,600,000 (GBP200,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The first loan of GBP50,000,000 was drawn down on 30 January 2015 bears an interest rate at 2.36% (2022: 2.36%) per annum, the second loan of GBP50,000,000 was drawn down on 9 March 2015 bears interest rates ranging from 1.60% to 5.19% (2022: 0.74% to 1.60%) per annum, the third loan of GBP50,000,000 was drawn down on 9 April 2015 bears an interest rate at 2.19% (2022: 2.19%) per annum, and the fourth loan of GBP50,000,000 was drawn down on 25 May 2016 bears interest rates ranging from 2.19% to 5.69% (2022: 1.07% to 2.19%) per annum. All the loans are repayable in full between 30 January 2024 and 25 May 2025.

GBP200,000,000 Unsecured Term Loan

The term loans of RM1,180,840,000 (GBP200,000,000) (2022: RM1,068,600,000 (GBP200,000,000)) was drawn down by Wessex Water Services Limited of which RM939,984,597 (GBP159,206,090) (2022: RM934,596,379 (GBP174,919,779)) remained outstanding as at 30 June 2023, net of amortised fees. The loans bear interest rates ranging from 2.20% to 5.16% (2022: 1.09% to 2.20%) per annum and are repayable with a 60% bullet repayment on 31 January 2026 with the remaining 40% being repaid in equal semi-annual instalments commencing 31 January 2021.

GBP75,000,000 Unsecured Term Loan

The term loans of RM442,815,000 (GBP75,000,000) is an unsecured loan which was drawn down by Wessex Water Services Limited on 21 July 2022 of which RM439,166,021 (GBP74,381,969) remained outstanding as at 30 June 2023, net of amortised fees. The loans bear interest rates ranging from 2.20% to 5.16% per annum and are repayable with a 60% bullet repayment on 31 January 2029 with the remaining 40% being repaid in equal semi-annual instalments commencing 31 January 2026.

GBP150,000,000 Unsecured Term Loan

The term loan of RM885,630,000 (GBP150,000,000) is unsecured loan which was drawn down by Wessex Water Services Limited on 14 October 2022 of which RM882,682,706 (GBP149,500,814) remained outstanding as at 30 June 2023, net of amortised fees. The loan bears interest rates ranging from 4.55% to 5.54% per annum and is repayable in full on 30 November 2032.

GBP12,500,000 Unsecured Term Loan

The term loan of RM73,802,500 (GBP12,500,000) (2022: RM66,787,500 (GBP12,500,000)) is an unsecured loan of Wessex Water Limited. The loan bears interest rates ranging from 4.90% to 6.03% (2022: 1.54%) per annum and is repayable in full on 29 November 2024.

27. BORROWINGS (CONTINUED)

(d) Term loans (continued)

(ii) Term loans denominated in US Dollar

USD200,000,000 Unsecured Term Loan

The term loan of RM935,800,000 (USD200,000,000) (2022: RM881,100,000 (USD200,000,000)) was drawn down by YTL Utilities Finance 4 Limited on 25 November 2020 of which RM934,639,608 (USD199,752,000) (2022: RM877,320,081 (USD199,142,000)) remained outstanding as at 30 June 2023, net of amortised fees. The term loan is guaranteed by the Company. The borrowing bears interest rates ranging from 3.02% to 6.97% (2022: 1.44% to 2.41%) per annum and is repayable on 25 November 2023.

(iii) Term loans denominated in Singapore Dollar

SGD1,995,000,000 Secured Term Loan

The term loan of RM6,886,141,500 (SGD1,995,000,000) (2022: RM6,315,372,000 (SGD1,995,000,000)) was drawn down by YTL PowerSeraya Pte. Limited on 14 September 2017 of which RM4,234,414,406 (SGD1,226,762,003) (2022: RM5,998,315,191 (SGD1,894,843,060)) remained outstanding as at 30 June 2023, net of amortised fees. The borrowing was refinanced on 1 June 2022 and is repayable in full on 1 June 2027. The term loan is secured by charges over certain assets of RM2,292,847,407 (2022: RM2,144,752,019) and shares of YTL PowerSeraya Pte. Limited. The borrowing bears interest rates ranging from 3.51% to 5.48% (2022: 1.61% to 2.79%) per annum.

SGD230,000,000 Secured Term Loan

The term loan of RM793,891,000 (SGD230,000,000) (2022: RM728,088,000 (SGD230,000,000)) was drawn down by Taser Power Pte. Ltd. on 1 June 2022 of which RM512,213,092 (SGD148,394,441) (2022: RM725,582,165 (SGD229,208,417)) remained outstanding as at 30 June 2023, net of amortised fees. The term loan is secured by charges over certain assets of RM1,255,590,030 (2022: RM1,199,347,397) and shares of Taser Power Pte. Ltd.. The borrowing bears interest rates ranging from 3.51% to 5.48% (2022: 2.51%) per annum and is repayable on 1 June 2027.

(iv) Term loan denominated in Ringgit Malaysia

RM343,700,000 Secured Term Loan

The term loan of RM343,700,000 was drawn down by YTL DC South Sdn. Bhd. on 18 January 2023 of which RM325,473,800 remained outstanding as at 30 June 2023, net of amortised fees. The term loan is secured by charges over certain assets of RM434,353,734 of YTL DC South Sdn. Bhd.. The borrowing bears interest rates ranging from 5.14% to 5.39% per annum and is repayable with a 30% repayment on 18 July 2028, 30% on 18 October 2028 and remaining 40% on 18 January 2029.

(e) Trade loans

RM308,700 Trade loans

Trade loans of RM308,700 (2022: RM21,381,967) was obtained by YTL Communications Sdn. Bhd., a subsidiary of the Company which is guaranteed by the Company. The borrowing bears an interest rate of 4.22% (2022: 2.86% to 2.95%) per annum. The borrowing is repayable on 1 September 2023 (2022: 8 November 2022 to 12 December 2022).

28. LEASE LIABILITIES

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Current				
Lease liabilities	**109,052**	95,841	**275**	-
Non-current				
Lease liabilities	**292,556**	310,750	**-**	-
Total				
Lease liabilities	**401,608**	406,591	**275**	-

The Group leases telecommunication network sites, equipment, fiber core, retail outlets, plant and machinery, vehicles, land, office buildings and other equipment. While, the Company leases office space. Rental contracts duration is typically between 2 to 97 years (2022: 2 to 97 years) with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group's and the Company's maturity profile of lease liabilities is disclosed in Note 35(c) to the financial statements.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS)

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Defined contribution plan - Current				
Malaysia	**707**	1,349	**695**	656
Defined benefit plan - Non-current				
Overseas				
- United Kingdom	**(64,314)**	(174,802)	**-**	-
- Indonesia	**17,141**	15,115	**-**	-
	(47,173)	(159,687)	**-**	-

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan - United Kingdom

A subsidiary of the Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken by a qualified actuary as at 30 September 2022. This valuation has been adjusted to the reporting date as at 30 June 2023 taking account of experience over the period since 30 September 2022, changes in market conditions, and differences in the financial and demographic assumptions by the qualified actuary.

(i) Profile of the scheme

The defined benefit obligations include benefits for current employees, former employees and current pensioners. Broadly, about 24% of the liabilities are attributable to current employees, 14% to former employees and 62% to current pensioners.

The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is around 13-14 years reflecting the approximate split of the defined benefit obligation between current employees (duration of c18-19 years), deferred members (duration of c17-18 years) and current pensioners (duration of c10-11 years).

(ii) Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation report, 30 September 2022 showed a deficit of GBP35.3 million (RM208.4 million).

The subsidiary is due to pay deficit contributions of up to GBP20.2 million (RM119.3 million) by 1 July 2024, with the amount falling due dependent upon the scheme's funding position ahead of the payment date which, along with investment returns from return-seeking assets, are expected to make good this shortfall by 1 July 2024.

The subsidiary also pays contributions of 15.5% of pensionable salaries in respect of current accrual and non-investment related expenses. A contribution of GBP18.4 million (RM108.6 million) was paid on 30 June 2023.

(iii) Risk associated with the scheme

Asset volatility – The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The scheme holds a significant proportion of growth assets (equities including a diversified growth fund and a global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

Changes in bond yields – A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

(iii) Risk associated with the scheme (continued)

Inflation risk – The majority of the scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy – The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

The trustees insure certain benefits payables on death before retirement.

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2023 RM'000	2022 RM'000
At 1 July	**(174,802)**	437,922
Exchange differences	**(7,724)**	(589)
Pension cost	**20,117**	64,258
Contributions and benefits paid	**(233,955)**	(134,094)
Re-measurement loss/(gain)	**332,050**	(542,299)
At 30 June	**(64,314)**	(174,802)

The amounts recognised in the Statement of Financial Position are analysed as follows:

	2023 RM'000	2022 RM'000
Present value of funded obligations	**3,289,483**	3,207,024
Fair value of plan assets	**(3,353,797)**	(3,381,826)
Asset in the Statement of Financial Position	**(64,314)**	(174,802)

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan - United Kingdom (continued)

Changes in present value of defined benefit obligations are as follows:

	2023 RM'000	2022 RM'000
At 1 July	**3,207,024**	4,722,344
Exchange differences	**315,847**	(275,586)
Interest cost	**122,420**	88,320
Current service cost	**31,492**	52,444
Past service credit	**(6,500)**	-
Net benefits paid	**(151,670)**	(153,576)
Re-measurement loss/(gain):		
- Actuarial loss arising from demographic assumptions	**66,627**	-
- Actuarial gain arising from financial assumptions	**(516,221)**	(1,294,428)
- Actuarial loss arising from experience adjustments	**220,464**	67,506
Present value of defined benefit obligations, at 30 June	**3,289,483**	3,207,024

Changes in fair value of plan assets are as follows:

	2023 RM'000	2022 RM'000
At 1 July	**3,381,826**	4,284,422
Exchange differences	**323,571**	(274,997)
Interest income	**133,254**	82,132
Contributions by employer	**233,955**	134,094
Net benefits paid	**(151,670)**	(153,576)
Administration expenses	**(5,959)**	(5,626)
Re-measurement loss:		
- Return on plan assets excluding interest income	**(561,180)**	(684,623)
Fair value of plan assets, at 30 June	**3,353,797**	3,381,826

The pension cost recognised is analysed as follows:

	2023 RM'000	2022 RM'000
Interest (income)/cost	**(10,834)**	6,188
Current service cost	**31,492**	52,444
Past service credit	**(6,500)**	-
Administration expenses	**5,959**	5,626
Total charged to Income Statement	**20,117**	64,258

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan - United Kingdom (continued)

The charge to Income Statement was included in the following line items:

	2023 RM'000	2022 RM'000
Cost of sales	**24,992**	53,887
Administration expenses	**5,959**	4,183
Interest (income)/cost	**(10,834)**	6,188
Total charged to Income Statement	**20,117**	64,258

The principal assumptions used in the actuarial calculations were as follows:

	2023 %	2022 %
Discount rate	**5.20**	3.80
Rate of increase in pensions	**2.10-3.00**	2.10-2.90
Rate of increase in salaries - long term	**1.90**	1.90
Inflation - RPI	**3.20**	3.00
Inflation - CPI	**2.70**	2.50

Mortality assumptions:

The mortality assumptions are based upon the recent actual mortality experience of scheme members and allow for expected future improvements in mortality rates.

	2023	2023	2022	2022
	Male Years	Female Years	Male Years	Female Years
Life expectancy - current age 60	**25.6**	**28.3**	25.9	28.5
Life expectancy - current age 40	**46.8**	**49.4**	47.2	49.7

The mortality table adopted is based upon 111% of standard tables S3P(M/F)A adjusted to allow for individual years of birth. Future improvements are assumed to be in line with the CMI 2021 core projection, with a long-term improvement rate of 1.0% p.a. for all members.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan - United Kingdom (continued)

Sensitivity analysis:

The key assumptions used for MFRS 119 "Employee Benefits" are: discount rate, inflation and mortality. If different assumptions are used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions are set out below. For the purposes of these sensitivities, it has been assumed that the change in the discount rate and inflation has no impact on the value of scheme assets.

Key assumptions		Scheme liabilities		Scheme (surplus)/deficit	
	Increase by RM'000	Increase from RM'000	Increase to RM'000	Decrease from RM'000	Decrease to RM'000
A reduction in the discount rate of 0.1% (from 5.2% to 5.1%)	**42,510**	**3,289,483**	**3,331,993**	**(64,314)**	**(21,804)**
An increase in the inflation assumption of 0.1% (from 2.7% to 2.8% for CPI and 3.2% to 3.3% for RPI)	**41,920**	**3,289,483**	**3,331,403**	**(64,314)**	**(22,394)**
An increase in life expectancy of 1 year	**93,286**	**3,289,483**	**3,382,769**	**(64,314)**	**28,972**

The plan assets comprise the following:

	2023		2022	
	RM'000	%	RM'000	%
Equity instrument	**934,044**	**27.9**	1,073,409	31.7
Debt instrument	**2,073,555**	**61.8**	1,892,491	56.0
Property	**195,429**	**5.8**	249,518	7.4
Others	**150,769**	**4.5**	166,408	4.9
	3,353,797	**100.0**	3,381,826	100.0

	2023 RM'000	2022 RM'000
Actual return on plan assets	**(427,926)**	(602,491)

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are presented as below:

	2023 RM'000	2022 RM'000
Obligation relating to post-employment benefits	**14,346**	12,254
Obligation relating to other long-term employee benefits	**2,795**	2,861
	17,141	15,115

A subsidiary of the Group has a defined contribution pension plan covering its qualified permanent national employees in Indonesia. The subsidiary's contribution is 6% of employee basic salary, while the employees' contribution ranges from 3% to 14%.

The contributions made to the defined contribution plan are acceptable for funding the post-employment benefits under the labour regulations.

The obligation for post-employment and other long-term employee benefits were recognised with reference to actuarial report prepared by an independent actuary. The latest actuarial report was dated 30 June 2023.

(i) Post-employment benefit obligations

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2023 RM'000	2022 RM'000
At 1 July	**12,254**	19,310
Exchange differences	**699**	465
Pension cost/(credit)	**1,690**	(4,756)
Contributions and benefits paid	**(1,306)**	(675)
Re-measurement loss/(gain)	**1,009**	(2,090)
At 30 June	**14,346**	12,254

The obligations relating to post-employment benefits recognised in the Statement of Financial Position are as follows:

	2023 RM'000	2022 RM'000
Present value of obligations	**14,346**	12,254

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia (continued)

(i) Post-employment benefit obligations (continued)

Changes in present value of defined benefit obligations are as follows:

	2023 RM'000	2022 RM'000
At 1 July	**12,254**	19,310
Exchange differences	**699**	465
Interest cost	**858**	1,219
Current service cost	**832**	1,203
Past service credit	**-**	(6,197)
Net benefits paid	**(1,306)**	(675)
Adjustment due to change in benefit attribution method	**-**	(981)
Re-measurement loss/(gain):		
- Actuarial loss/(gain) arising from financial assumptions	**533**	(654)
- Actuarial loss/(gain) arising from experience adjustments	**476**	(1,436)
Present value of defined benefit obligations, at 30 June	**14,346**	12,254

The pension cost recognised can be analysed as follows:

	2023 RM'000	2022 RM'000
Interest cost	**858**	1,219
Current service cost	**832**	1,203
Past service credit	**-**	(6,197)
Adjustment due to change in benefit attribution method	**-**	(981)
Total charge/(credit) to Income Statement	**1,690**	(4,756)

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia (continued)

(ii) Other long-term employee benefit obligations

The obligations relating to other long-term employee benefits (i.e. long leave service benefits) recognised in the Statement of Financial Position are as follows:

	2023 RM'000	2022 RM'000
Present value of obligations	**2,795**	2,861

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2023 RM'000	2022 RM'000
At 1 July	**2,861**	2,579
Exchange differences	**139**	(301)
Pension cost	**605**	659
Contributions and benefits paid	**(810)**	(76)
At 30 June	**2,795**	2,861

Changes in present value of defined benefit obligations are as follows:

	2023 RM'000	2022 RM'000
At 1 July	**2,861**	2,579
Exchange differences	**139**	(301)
Current service cost	**605**	659
Net benefits paid	**(810)**	(76)
At 30 June	**2,795**	2,861

The amounts relating to other long-term employee benefit obligations recognised in the Income Statement are as follows:

	2023 RM'000	2022 RM'000
Current service cost	**605**	659

The charge above was included in the cost of sales.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia (continued)

The principal assumptions used in the actuarial calculations were as follows:

	2023 %	2022 %
Discount rate	**6.0**	7.3
Future salary increase rate	**8.5**	9.0

At 30 June 2023, the weighted-average duration of the defined benefit obligations was 5.52 years (2022: 6.90 years).

Sensitivity analysis:

Reasonably possible changes to the key assumptions, would have affected the defined benefit obligations at the reporting date by the following amounts:

	2023		2022	
	RM'000 Increase	RM'000 Decrease	RM'000 Increase	RM'000 Decrease
Discount rate (1% movement)	**(819)**	**901**	(723)	794
Future salary increase rate (1% movement)	**1,260**	**(1,169)**	1,134	(1,055)

This analysis depicts the approximate sensitivity of the benefits obligation to a reasonable possible change in assumptions, but does not take account of the variability in the timing of distribution of benefit payments expected under the plan.

30. GRANTS AND CONTRIBUTIONS

	Group	
	2023 RM'000	2022 RM'000
At 1 July	**620,655**	661,614
Exchange differences	**65,269**	(40,017)
Disposal of a subsidiary^	**-**	(14,035)
Received during the financial year	**31,051**	32,092
Amortisation	**(17,951)**	(18,999)
At 30 June	**699,024**	620,655

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

Grants and contributions comprise government grants mainly in respect of specific qualifying expenditure on infrastructure assets and a cogeneration plant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

31. PAYABLES (NON-CURRENT)

		Group	
	Note	2023 RM'000	2022 RM'000 (Restated)
Contract liabilities	4(b)	**35,095**	28,637
Deposits		**61,634**	25,267
Deferred income		**1,561,960**	1,349,708
Deferred liabilities		**59,758**	57,656
Payables to non-controlling interest		**120,854**	62,090
Other payables		**-**	4,000
		1,839,301	1,527,358

The deferred income is in relation to assets transferred from customers and services of the water and sewerage segment which are yet to be provided and shareholder loan interest revenue. The fair value of payables approximates their carrying values.

32. PAYABLES AND ACCRUED EXPENSES (CURRENT)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables		**1,819,044**	1,283,156	**-**	-
Duties and taxes payable		**28,287**	22,455	**-**	-
Accrued expenses*		**1,315,465**	1,131,330	**74,398**	58,122
Other payables		**447,273**	364,445	**790**	802
Deposits		**188,650**	172,009	**-**	-
Contract liabilities	4(b)	**529,892**	405,359	**-**	-
		4,328,611	3,378,754	**75,188**	58,924

* *Accrued expenses mainly comprise interest payables, regulatory costs and capital expenditure.*

33. PROVISION FOR LIABILITIES AND CHARGES

	Group	
	2023	**2022**
	RM'000	**RM'000**
At 1 July	**40,602**	39,328
Exchange differences	**931**	(351)
Addition	**-**	623
Accretion of interests	**854**	869
Charge during the financial year	**6,704**	892
Payment	**(16,230)**	(759)
At 30 June	**32,861**	40,602
Current	**10,378**	18,957
Non-current	**22,483**	21,645
	32,861	40,602

The provision for liabilities and charges relate to scaling down of operations, environmental and asset retirement obligation.

34. AMOUNTS OWING BY/(TO) FELLOW SUBSIDIARIES

The amounts owing by/(to) fellow subsidiaries are unsecured, interest-free and repayable on demand. The amounts owing by/(to) fellow subsidiaries principally relate to operational expenses and expenses paid on behalf by/of the Group and the Company.

35. FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities expose it to a variety of financial risks, including market risk (comprising of foreign currency exchange risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group's and the Company's overall financial risk management objective is to ensure that adequate resources are available to create value for its shareholders. The Group and the Company focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company.

Financial risk management is carried out through regular risk review analysis, internal control systems and adherence to the Group and the Company financial risk management policies. The Board regularly reviews these risks and approves the appropriate control environment frameworks.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to risks arising from various currency exposures primarily with respect to the United States Dollar ("USD"). Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables and on cash flows generated from anticipated transactions denominated in foreign currencies.

The following table demonstrates the impact to the Group's and the Company's profit after tax and equity to strengthening/weakening of USD, with all other variables held constant.

	Group		**Company**	
	2023 Increase/ (Decrease) RM'000	**2022 Increase/ (Decrease) RM'000**	**2023 Increase/ (Decrease) RM'000**	**2022 Increase/ (Decrease) RM'000**
Currency exposure of net financial assets, net of those denominated in the respective entities' functional currencies	**2,064,263**	1,035,526	**2,064,489**	1,048,716
Effects on profit after tax/equity:				
USD				
- strengthened by 6%	**128,153**	62,616	**128,167**	63,413
- weakened by 6%	**(128,153)**	(62,616)	**(128,167)**	(63,413)

(ii) Interest rate risk

Interest rate exposure arises from the Group's and the Company's borrowings, deposits, short-term investments and interest-bearing advances to subsidiaries of the Company. This exposure is managed through the use of fixed and floating rate debts, as well as through derivative financial instruments, where appropriate, to generate the desired interest rate profile.

Borrowings issued at variable rates expose the Group's and the Company's cash flows to interest rate risk. However, this is partially offset by the interest income accruing on fixed deposits and income funds.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date, were:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Fixed rate instruments				
Financial assets	**68,576**	59,332	**1,758,357**	1,474,159
Financial liabilities	**20,524,252**	16,192,454	**6,235,667**	5,294,666
Variable rate instruments				
Financial assets	**8,011,900**	5,253,595	**1,491,593**	1,379,943
Financial liabilities	**10,960,049**	11,544,384	**1,275,488**	925,162

At the reporting date, if annual interest rates had been 50 basis points higher/lower respectively, with all other variables in particular foreign exchange rates and tax rates being held constant, the Group's and the Company's profit after tax and equity will be lower/higher by RM54.8 million (2022: RM57.7 million) and RM6.4 million (2022: RM4.6 million), respectively as a result of increase/decrease in interest expense on these variable rate borrowings.

The Group and the Company manage their liquidity risks by placing excess funds of the Group and the Company in bank deposits and other highly liquid investments to match its cash flow needs. If interest deposit rates increased/decreased by 10 basis points, interest income for the Group and the Company for the financial year would increase/decrease by RM8.0 million (2022: RM5.3 million) and RM1.5 million (2022: RM1.4 million), respectively.

(iii) Price risk

Investments

The Group and the Company are exposed to equity securities and income funds price risk arising from investments held which are classified on the Statement of Financial Position either as financial assets at fair value through other comprehensive income ("FVTOCI") or financial assets at fair value through profit or loss ("FVTPL").

To manage its price risk arising from investments in equity securities, the Group and the Company diversify their portfolio. For income funds, the Group and the Company mainly invest in AAA rated bonds. This investment is meant to achieve better yield as compared to fixed deposits. At the reporting date, if the prices of the income funds at FVTPL increased/decreased by 1% (2022: 1%) with all other variables including tax rate being held constant, the Group's and the Company's profit after tax and equity will be higher/lower by RM12.4 million (2022: RM7.4 million) and RM4.2 million (2022: RM Nil), respectively.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Price risk (continued)

Fuel commodity price risk

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

The Group has contracts for the sale of electricity to the Singapore electricity pool at prices that are fixed in advance every three months and to retail customers at prices that are either fixed in amount or in pricing formula for periods up to a number of years. The fixing of the prices under the contracts is based largely on the price of fuel oil required to generate the electricity. The Group enters into fuel oil swaps to hedge against adverse price movements of fuel oil prices. The Group typically enters into a swap to pay a fixed price and receive a variable price indexed to a benchmark fuel price index.

Exposure to price fluctuations arising from the purchase of fuel oil and natural gas are substantially managed via swaps where the price is indexed to a benchmark price index, for example 180 CST fuel oil and Dated Brent. The Group's exposure to the fluctuation of forward price curve is immaterial.

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counter party to settle their obligations to the Group and the Company.

The Group's exposures to credit risk arise primarily from trade receivables, unbilled receivables, contract assets and other receivables. For other financial assets (including short-term investment securities, fixed deposits and derivative financial instruments), the Group minimises credit risk by dealing with creditworthy counterparties.

The Company's exposures to credit risk arise primarily from other receivables and amounts owing by related companies. For other financial assets (including short-term investment securities and fixed deposits), the Company minimises credit risk by dealing with creditworthy counterparties.

Due to the nature of the Group's business, customers are mainly segregated according to business segments. In the Group's power generation business in Singapore, credit reviews are performed on all customers with established credit limits and supported by collateral in the form of guarantees for selected customers.

For the Group's water and sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In the Group's telecommunications business, the credit risk is monitored on an ongoing basis through a credit policy. The Directors are of the view that credit risk arising from these businesses is limited due to the large customer base.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, unbilled receivables, contract assets and amounts owing by related companies

The Group applies the MFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables, unbilled receivables, contract assets and amounts owing by related companies which is trade in nature. To measure the ECL, trade receivables, unbilled receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are determined based on between 1 to 19 (2022: 1 to 19) years of historical ageing profiles and the corresponding historical credit losses experienced within this period as applicable. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. Some of the factors which the Group has identified include unemployment rates, economic trends, and annual Gross Domestic Product ("GDP") growth. The Group has adjusted the historical loss rates based on expected changes in such factors. The Group's estimate of recoverability of the contract assets is based on forward-looking judgement on the future collection rate that are likely to be achieved.

On that basis, the loss allowance was determined for trade receivables, unbilled receivables, contract assets and amounts owing by related companies as follows:

		<--------------------- Past due	-------------------->		
Group **30 June 2023**	**Current** **RM'000**	**1-90 days** **RM'000**	**91-120 days** **RM'000**	**> 120 days** **RM'000**	**Total** **RM'000**
Expected loss rate (%)[1]	**0 - 25.6**	**0.6 - 8.7**	**7.0 - 34.6**	**11.8 - 84.9**	
Gross carrying amount					
- Trade receivables	**793,248**	**121,850**	**22,161**	**572,057**	**1,509,316**
- Unbilled receivables	**1,961,246**	**-**	**-**	**-**	**1,961,246**
- Contract assets	**246,547**	**19**	**7**	**202**	**246,775**
- Related companies	**25,445**	**-**	**-**	**765**	**26,210**
	3,026,486	**121,869**	**22,168**	**573,024**	**3,743,547**
Allowance for impairment					
- Trade receivables	**(60,680)**	**(6,537)**	**(2,960)**	**(253,925)**	**(324,102)**
- Unbilled receivables	**(6,686)**	**-**	**-**	**-**	**(6,686)**
- Contract assets	**(2,911)**	**-**	**-**	**-**	**(2,911)**
- Related companies	**-**	**-**	**-**	**(381)**	**(381)**
	(70,277)	**(6,537)**	**(2,960)**	**(254,306)**	**(334,080)**
Net carrying amount	**2,956,209**	**115,332**	**19,208**	**318,718**	**3,409,467**

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, unbilled receivables, contract assets and amounts owing by related companies (continued)

On that basis, the loss allowance was determined for trade receivables, unbilled receivables, contract assets and amounts owing by related companies as follows: (continued)

Group 30 June 2022	Current RM'000	<---- Past due ----> 1-90 days RM'000	91-120 days RM'000	> 120 days RM'000	Total RM'000
Expected loss rate (%)[1]	**0 - 25.6**	**0.1 - 65.9**	**7.0 - 73.5**	**13.8 - 93.0**	
Gross carrying amount					
- Trade receivables	635,752	121,811	13,300	520,379	1,291,242
- Unbilled receivables	1,291,969	-	-	-	1,291,969
- Contract assets	156,762	-	-	-	156,762
- Related companies	25,067	-	-	5,838	30,905
	2,109,550	121,811	13,300	526,217	2,770,878
Allowance for impairment					
- Trade receivables	(43,154)	(4,766)	(1,248)	(232,066)	(281,234)
- Unbilled receivables	(7,997)	-	-	-	(7,997)
- Contract assets	(289)	-	-	-	(289)
- Related companies	-	-	-	(5,288)	(5,288)
	(51,440)	(4,766)	(1,248)	(237,354)	(294,808)
Net carrying amount	2,058,110	117,045	12,052	288,863	2,476,070

Note:
[1] *The expected loss rate comprises of customers with different risk profiles.*

Cash and bank balances

The Group and the Company place its cash and bank balances with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

Derivative financial instruments

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Other receivables and amounts owing by related companies

The Group and the Company use the 3-stages approach for ECL on other receivables and amounts owing by related companies. The 3-stages approach reflects their receivables' credit risk and how the loss allowance is determined for each of those categories.

A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Debtors and repayments are more than 80 to 365 days past due	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Other receivables and amounts owing by related companies **(continued)**

	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Net carrying amount RM'000
Group					
30 June 2023					
Other receivables					
Performing	**2.1%**	**12 month ECL**	**3,355,629**	**(69,689)**	**3,285,940**
Underperforming	**100.0%**	**Lifetime ECL**	**779**	**(779)**	**-**
Company					
30 June 2023					
Other receivables					
Performing	**-**	**12 month ECL**	**1,720**	**-**	**1,720**
Related companies					
Performing	**0.1%**	**12 month ECL**	**3,535,903**	**(2,517)**	**3,533,386**
Underperforming	**100.0%**	**Lifetime ECL**	**210,574**	**(210,574)**	**-**
Group					
30 June 2022					
Other receivables					
Performing	0.9%	12 month ECL	2,890,399	(27,208)	2,863,191
Underperforming	100.0%	Lifetime ECL	653	(653)	-
Company					
30 June 2022					
Other receivables					
Performing	-	12 month ECL	4,288	-	4,288
Related companies					
Performing	0.9%	12 month ECL	2,886,023	(26,304)	2,859,719
Underperforming	100.0%	Lifetime ECL	209,299	(209,299)	-

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Movement on the Group's loss allowances is as follows:

Group	Trade receivables RM'000	Unbilled receivables RM'000	Contract assets RM'000	Related companies RM'000	Other receivables RM'000	Total RM'000
2023						
At 1 July 2022	**281,234**	**7,997**	**289**	**5,288**	**27,861**	**322,669**
Exchange differences	**29,260**	**663**	**-**	**-**	**4,902**	**34,825**
Written off during the financial year as uncollectible	**(84,508)**	**-**	**-**	**(1,068)**	**-**	**(85,576)**
Allowance for/(Write back of) impairment of receivables (net of reversals)	**98,116**	**(1,974)**	**2,622**	**(3,839)**	**37,705**	**132,630**
At 30 June 2023	**324,102**	**6,686**	**2,911**	**381**	**70,468**	**404,548**
2022						
At 1 July 2021	257,429	8,191	19	3,691	3,307	272,637
Exchange differences	(20,125)	(607)	-	-	1,172	(19,560)
Written off during the financial year as uncollectible	(56,678)	-	-	-	-	(56,678)
Allowance for impairment of receivables (net of reversals)	100,608	413	270	1,597	23,382	126,270
At 30 June 2022	281,234	7,997	289	5,288	27,861	322,669

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Movement on the Company's loss allowances is as follows:

Company	Related companies RM'000
2023	
At 1 July 2022	**235,603**
Exchange differences	**1,634**
Write back of impairment of receivables	**(24,146)**
At 30 June 2023	**213,091**
2022	
At 1 July 2021	3,785
Allowance for impairment of receivables	231,818
At 30 June 2022	235,603

At the reporting date, the maximum exposure to credit risk of the financial assets of the Group and the Company are represented by the carrying amounts in the Statement of Financial Position, except for Group's trade receivables on electricity and steam sales where the Group will assess each customer individually and typically require collateral in the form of bankers' guarantees or deposits from selected customers.

(c) Liquidity risk

Liquidity risk management implies maintaining sufficient bank deposits and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility by keeping committed credit lines available.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual payments:

Group	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
2023				
Non-derivative financial liabilities				
Bonds and borrowings	**5,217,534**	**15,811,920**	**27,807,384**	**48,836,838**
Lease liabilities	**126,260**	**235,866**	**110,271**	**472,397**
Trade and other payables	**3,531,512**	**205,959**	**62,648**	**3,800,119**
Financial guarantee contracts	**127,049**	**-**	**-**	**127,049**
Derivative financial liabilities				
Fuel oil swaps	**88,643**	**6,845**	**-**	**95,488**
Currency forwards	**22,185**	**2,809**	**-**	**24,994**
	9,113,183	**16,263,399**	**27,980,303**	**53,356,885**
2022				
(Restated)				
Non-derivative financial liabilities				
Bonds and borrowings	3,403,338	17,913,826	18,982,240	40,299,404
Lease liabilities	113,974	241,388	121,779	477,141
Trade and other payables	2,827,568	112,883	60,612	3,001,063
Financial guarantee contracts	164,228	-	-	164,228
Derivative financial liabilities				
Fuel oil swaps	8,053	1,298	-	9,351
Currency forwards	262	69	-	331
Electricity futures	13,425	-	-	13,425
	6,530,848	18,269,464	19,164,631	43,964,943

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

Company	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
2023				
Non-derivative financial liabilities				
Bonds and borrowings	**1,586,737**	**5,227,601**	**2,186,319**	**9,000,657**
Lease liabilities	**275**	**-**	**-**	**275**
Trade and other payables	**1,310,105**	**-**	**-**	**1,310,105**
Financial guarantee contracts	**1,440,522**	**-**	**-**	**1,440,522**
	4,337,639	**5,227,601**	**2,186,319**	**11,751,559**
2022				
Non-derivative financial liabilities				
Bonds and borrowings	2,109,047	4,351,583	633,287	7,093,917
Trade and other payables	821,113	-	-	821,113
Financial guarantee contracts	1,390,247	-	-	1,390,247
	4,320,407	4,351,583	633,287	9,305,277

As at 30 June 2023, the current liabilities of the Company include RM1.24 billion (2022: RM1.85 billion) of borrowings. The said borrowings will be refinanced or repaid from existing undrawn facilities and the Group's unencumbered cash.

(d) Capital risk

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

There are external debt covenants, such as gearing ratio applicable to the Group and the Company, which are not onerous and these obligations can be fulfilled. As part of its capital management, the Group rigorously monitors compliance with these covenants. In addition, consistent with others in the industry, the Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Statement of Financial Position) less cash and bank balances. Total capital is calculated as 'equity' as shown in the Statement of Financial Position plus net debt.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

	Group		Company	
	2023 RM'000	**2022 RM'000 (Restated)**	**2023 RM'000**	**2022 RM'000**
Total bonds and borrowings (Note 27)	**31,484,301**	27,736,838	**7,438,381**	6,145,354
Less: Cash and bank balances	**(8,999,425)**	(6,880,016)	**(448,498)**	(324,551)
Net debt	**22,484,876**	20,856,822	**6,989,883**	5,820,803
Total equity	**16,400,871**	14,331,427	**14,688,560**	14,815,764
Total capital	**38,885,747**	35,188,249	**21,678,443**	20,636,567
Gearing ratio	**58%**	59%	**32%**	28%

To strengthen the capital structure of the Company, all borrowings of subsidiaries are undertaken on a non-recourse basis to the Company save and except for those borrowings guaranteed by the Company as set out in Note 27 to the financial statements.

(e) Fair value measurement

The Group and the Company measure fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

(a) Level 1 – quoted price (unadjusted) in active market for identical assets or liabilities;

(b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and

(c) Level 3 – inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The Group and the Company used last transacted price in arriving at the fair value of the investment for the financial assets included in the Level 3 of the fair value hierarchy.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurement (continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at the reporting date:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	**-**	**1,236,200**	**-**	**1,236,200**
- Equity investments	**-**	**60,714**	**-**	**60,714**
Financial assets at fair value through other comprehensive income	**43,616**	**10,733**	**157,397**	**211,746**
Derivatives used for hedging	**-**	**21,703**	**-**	**21,703**
Total assets	**43,616**	**1,329,350**	**157,397**	**1,530,363**
Liabilities				
Derivatives used for hedging	**-**	**120,482**	**-**	**120,482**
Total liabilities	**-**	**120,482**	**-**	**120,482**
2022				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	884	-	884
- Income funds	-	740,824	-	740,824
- Equity investments	-	81,463	-	81,463
Financial assets at fair value through other comprehensive income	43,965	19,873	149,425	213,263
Derivatives used for hedging	5,352	430,262	-	435,614
Total assets	49,317	1,273,306	149,425	1,472,048
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	761	-	761
Derivatives used for hedging	13,425	8,921	-	22,346
Total liabilities	13,425	9,682	-	23,107

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurement (continued)

The following table presents the Company's assets that are measured at fair value as at the reporting date:

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	**-**	**418,660**	**-**	**418,660**
Financial assets at fair value through other comprehensive income	**43,591**	**-**	**157,397**	**200,988**
Total assets	**43,591**	**418,660**	**157,397**	**619,648**
2022				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	-	3	-	3
Financial assets at fair value through other comprehensive income	43,939	-	149,425	193,364
Total assets	43,939	3	149,425	193,367

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

36. FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides an analysis of the Group's financial instruments category:

Group	At amortised cost RM'000	Assets at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Assets at FVOCI RM'000	Total RM'000
2023					
Assets as per Statement of Financial Position					
Assets at fair value through profit or loss	**-**	**1,296,914**	**-**	**-**	**1,296,914**
Assets at fair value through other comprehensive income	**-**	**-**	**-**	**211,746**	**211,746**
Derivative financial instruments	**-**	**-**	**21,703**	**-**	**21,703**
Trade and other receivables [1]	**6,451,543**	**-**	**-**	**-**	**6,451,543**
Cash and bank balances	**8,999,425**	**-**	**-**	**-**	**8,999,425**
	15,450,968	**1,296,914**	**21,703**	**211,746**	**16,981,331**
2022					
Assets as per Statement of Financial Position					
Assets at fair value through profit or loss	–	822,287	–	–	822,287
Assets at fair value through other comprehensive income	–	–	–	213,263	213,263
Derivative financial instruments	–	884	435,614	–	436,498
Trade and other receivables [1]	5,182,788	–	–	–	5,182,788
Cash and bank balances	6,880,016	–	–	–	6,880,016
	12,062,804	823,171	435,614	213,263	13,534,852

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Group's financial instruments category: (continued)

Group	Liabilities at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
2023				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	**-**	**-**	**31,484,301**	**31,484,301**
Derivative financial instruments	**-**	**120,482**	**-**	**120,482**
Trade and other payables [2]	**-**	**-**	**4,100,115**	**4,100,115**
	-	**120,482**	**35,584,416**	**35,704,898**
2022				
(Restated)				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	-	-	27,736,838	27,736,838
Derivative financial instruments	761	22,346	-	23,107
Trade and other payables [2]	-	-	3,203,176	3,203,176
	761	22,346	30,940,014	30,963,121

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Company's financial instruments category:

Company	At amortised cost RM'000	Assets at fair value through profit or loss RM'000	Assets at FVOCI RM'000	Total RM'000
2023				
Assets as per Statement of Financial Position				
Assets at fair value through profit or loss	**-**	**418,660**	**-**	**418,660**
Assets at fair value through other comprehensive income	**-**	**-**	**200,988**	**200,988**
Other receivables [1]	**3,535,106**	**-**	**-**	**3,535,106**
Cash and bank balances	**448,498**	**-**	**-**	**448,498**
	3,983,604	**418,660**	**200,988**	**4,603,252**
2022				
Assets as per Statement of Financial Position				
Assets at fair value through profit or loss	-	3	-	3
Assets at fair value through other comprehensive income	-	-	193,364	193,364
Other receivables [1]	2,864,007	-	-	2,864,007
Cash and bank balances	324,551	-	-	324,551
	3,188,558	3	193,364	3,381,925

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Company's financial instruments category: (continued)

Company	Other financial liabilities at amortised cost RM'000
2023	
Liabilities as per Statement of Financial Position	
Bonds and borrowings	**7,438,381**
Other payables [2]	**1,382,767**
	8,821,148
2022	
Liabilities as per Statement of Financial Position	
Bonds and borrowings	6,145,354
Other payables [2]	877,529
	7,022,883

Note:

1 *Prepayments, contract cost assets, contract assets and tax recoverable are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments.*

2 *Statutory liabilities, contract liabilities and deferred income are excluded from the trade and other payables balance, as this analysis is required only for financial instruments.*

37. COMMITMENTS

(a) Capital commitments

	Group	
	2023 RM'000	2022 RM'000
Approved and contracted for:		
- Property, plant and equipment	**2,547,071**	1,687,989

37. COMMITMENTS (CONTINUED)

(b) Operating lease arrangements

The Group as lessor

The Group leases out its PPE assets which comprise net book value of telecommunications equipment of RM35.5 million (2022: RM34.5 million) and plant and machinery of RM14.6 million (2022: RM14.6 million). The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2023 RM'000	**2022 RM'000**
Within 1 year	**142,435**	103,166
In the 2nd year	**69,756**	58,275
In the 3rd year	**68,685**	57,056
In the 4th year	**66,996**	55,991
In the 5th year	**65,477**	54,327
Later than 5 years	**6,932**	7,367
Total undiscounted lease payments to be received	**420,281**	336,182

38. SEGMENTAL INFORMATION

The Group has four reportable segments as described below:

(i) Power generation*
(ii) Water and sewerage
(iii) Telecommunications#
(iv) Investment holding activities

* *This segment includes Multi utilities business (Merchant) which encompasses a large portion of the value chain involved in the generation of electricity and sale of electricity to both wholesale and retail markets, as well as oil trading and oil tank leasing.*

\# *This segment includes telecommunication services and infrastructure business which have same economic characteristic.*

38. SEGMENTAL INFORMATION (CONTINUED)

Management monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

	Power generation RM'000	Water and sewerage RM'000	Telecom-munications RM'000	Investment holding activities RM'000	Group RM'000
At 30 June 2023					
Revenue					
Total revenue	16,216,961	4,283,271	600,957	816,043	21,917,232
Inter-segment elimination	-	(17,503)	(357)	(8,913)	(26,773)
External revenue	16,216,961	4,265,768	600,600	807,130	21,890,459
Results					
Share of (losses)/profits of investments accounted for using the equity method	(1,105)	-	1,113	332,330	332,338
Interest income	6,643	18,260	736	1,407	27,046
Finance cost	287,275	779,943	38,151	474,726	1,580,095
Segment profit/(loss)	2,464,003	(94,795)	(268,607)	348,922	2,449,523
Other segment items					
Capital expenditures	192,584	1,579,997	45,346	527,392	2,345,319
Depreciation and amortisation	285,350	720,318	268,015	9,251	1,282,934
Impairment	1,220	118,453	9,609	5,126	134,408
Segment assets					
Investments accounted for using the equity method	12,621	1	20,531	1,923,078	1,956,231
Other segment assets	15,438,752	24,894,892	3,050,986	13,791,145	57,175,775
	15,451,373	24,894,893	3,071,517	15,714,223	59,132,006
Segment liabilities					
Borrowings	4,746,627	17,734,229	304,950	8,698,495	31,484,301
Other segment liabilities	3,278,893	5,781,095	775,941	1,410,905	11,246,834
	8,025,520	23,515,324	1,080,891	10,109,400	42,731,135

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

38. SEGMENTAL INFORMATION (CONTINUED)

	Power generation RM'000	Water and sewerage RM'000	Telecom-munications RM'000	Investment holding activities RM'000	Group RM'000
At 30 June 2022 (Restated)					
Revenue					
Total revenue	12,720,983	4,114,707	678,451	301,891	17,816,032
Inter-segment elimination	–	(5,165)	(410)	(5,729)	(11,304)
External revenue	12,720,983	4,109,542	678,041	296,162	17,804,728
Results					
Share of profits of investments accounted for using the equity method	–	–	1,291	333,335	334,626
Interest income	1,731	519	739	318	3,307
Finance cost	118,314	508,963	31,439	331,201	989,917
Segment profit/(loss)	690,270	378,034	(196,743)	770,429	1,641,990
Other segment items					
Capital expenditures	73,713	1,285,447	40,634	453,606	1,853,400
Depreciation and amortisation	247,874	723,110	265,563	9,023	1,245,570
Impairment	683	132,659	480	168,199	302,021
Segment assets					
Investments accounted for using the equity method	–	1	19,418	1,750,225	1,769,644
Other segment assets	14,451,107	20,772,087	2,902,791	11,429,872	49,555,857
	14,451,107	20,772,088	2,922,209	13,180,097	51,325,501
Segment liabilities					
Borrowings	6,723,897	13,664,211	326,056	7,022,674	27,736,838
Other segment liabilities	2,209,874	5,024,980	667,345	1,355,037	9,257,236
	8,933,771	18,689,191	993,401	8,377,711	36,994,074

38. SEGMENTAL INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000 (Restated)
Malaysia	**637,645**	696,049	**3,480,592**	3,083,188
Singapore	**16,278,983**	12,726,555	**12,071,888**	11,157,416
United Kingdom	**4,404,434**	4,214,091	**22,847,419**	19,840,970
Other countries	**569,397**	168,033	**567,858**	527,931
	21,890,459	17,804,728	**38,967,757**	34,609,505

Non-current assets information presented above consist of the following items as presented in the Statement of Financial Position.

	Non-current assets	
	2023 RM'000	2022 RM'000 (Restated)
Property, plant and equipment	**28,505,180**	24,954,332
Right-of-use assets	**445,676**	454,941
Investment properties	**579,786**	527,944
Intangible assets	**9,410,685**	8,663,264
Contract assets	**8,263**	2,084
Contract cost assets	**943**	13
Prepayments	**17,224**	6,927
	38,967,757	34,609,505

Major customers

The following is the major customer with revenue equal or more than 10 per cent of Group's revenue:

	Revenue		
	2023 RM'000	2022 RM'000	Segment
– Energy Market Company	**9,242,263**	7,946,821	Power generation

39. COMPARATIVE FIGURES

During the previous financial year, pursuant to the Put and Call Option Agreement dated 31 May 2022 entered into between the Group and Tuaspring Pte. Ltd. (Receivers and Managers Appointed over the Relevant Charged Property), the Group acquired the power plant and associated assets of Tuaspring Pte. Ltd. on 1 June 2022. The fair values of identifiable assets acquired and liabilities assumed were determined on a provisional basis as at 30 June 2022 and were finalised during the financial year. Comparative figures have been adjusted as below:

30 June 2022	As previously reported RM'000	PPA adjustment RM'000	As restated RM'000
Effect on Income Statements:			
Cost of sales	**(16,156,319)**	**(1,359)**	**(16,157,678)**
Gross profit	***1,648,409***	***(1,359)***	***1,647,050***
Other operating income	**1,442,031**	**270,818**	**1,712,849**
Administrative expenses	**(410,075)**	**(47)**	**(410,122)**
Finance cost	**(989,923)**	**6**	**(989,917)**
Profit before taxation	***1,372,572***	***269,418***	***1,641,990***
Profit for the financial year	**1,185,269**	**269,418**	**1,454,687**
Profit for the financial year attributable to:			
- Owners of the parent	***1,207,378***	***269,418***	***1,476,796***
Effect on Statements of Comprehensive Income:			
Currency translation differences:			
- subsidiaries	**(328,665)**	**4,852**	**(323,813)**
Other comprehensive income for the financial year, net of tax	***485,685***	***4,852***	***490,537***
Total comprehensive income for the financial year	**1,670,954**	**274,270**	**1,945,224**
Total comprehensive income for the financial year attributable to:			
- Owners of the parent	***1,659,233***	***274,270***	***1,933,503***
Effect on Statements of Financial Position:			
Non-current assets			
Property, plant and equipment	**24,556,399**	**397,933**	**24,954,332**
Intangible assets	**8,732,299**	**(69,035)**	**8,663,264**
Right-of-use assets	**459,555**	**(4,614)**	**454,941**
Total assets	**51,001,217**	**324,284**	**51,325,501**
Capital and reserves			
Reserves	**7,276,035**	**274,270**	**7,550,305**
Equity attributable to owners of the parent	***14,314,622***	***274,270***	***14,588,892***
Total equity	**14,057,157**	**274,270**	**14,331,427**
Non-current liabilities			
Deferred taxation	**2,971,862**	**61,116**	**3,032,978**
Payables	**1,538,460**	**(11,102)**	**1,527,358**
Total liabilities	**36,944,060**	**50,014**	**36,994,074**
Total equity and liabilities	**51,001,217**	**324,284**	**51,325,501**

39. COMPARATIVE FIGURES (CONTINUED)

During the previous financial year, pursuant to the Put and Call Option Agreement dated 31 May 2022 entered into between the Group and Tuaspring Pte. Ltd. (Receivers and Managers Appointed over the Relevant Charged Property), the Group acquired the power plant and associated assets of Tuaspring Pte. Ltd. on 1 June 2022. The fair values of identifiable assets acquired and liabilities assumed were determined on a provisional basis as at 30 June 2022 and were finalised during the financial year. Comparative figures have been adjusted as below: (continued)

30 June 2022	As previously reported RM'000	PPA adjustment RM'000	As restated RM'000
Effect on Statements of Changes in Equity:			
Currency translation reserve	**843,264**	**4,852**	**848,116**
Retained earnings	**8,016,080**	**269,418**	**8,285,498**
Effect on Statements of Cash Flows:			
Profit for the financial year	**1,185,269**	**269,418**	**1,454,687**
Cash flows from operating activities:			
Depreciation of property, plant and equipment	**1,074,477**	**1,381**	**1,075,858**
Depreciation of right-of-use assets	**127,342**	**(22)**	**127,320**
Gain on bargain purchase	**-**	**(270,818)**	**(270,818)**
Interest expense	**989,923**	**(6)**	**989,917**
Changes in working capital:			
Payables and accrued expenses	**916,578**	**47**	**916,625**

40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 September 2023.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of YTL Power International Berhad (the "**Company**") will be held on Tuesday, the 5th day of December, 2023 at 9.30 a.m. or at any adjournment thereof and will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (**"TIIH Online"**) at https://tiih.com.my (**"Meeting Platform"**) to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. ***Please refer Explanatory Note A***

2. To re-elect the following Directors who retire pursuant to Article 86 of the Company's Constitution:-
   (i) Tan Sri (Sir) Francis Yeoh Sock Ping ***Resolution 1***
   (ii) Dato' Yeoh Seok Kian ***Resolution 2***
   (iii) Dato' Sri Michael Yeoh Sock Siong ***Resolution 3***
   (iv) Dato' Mark Yeoh Seok Kah ***Resolution 4***

3. To approve the payment of fees to Non-Executive Directors amounting to RM890,000 for the financial year ended 30 June 2023. ***Resolution 5***

4. To approve the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2024 to December 2024. ***Resolution 6***

5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 7***

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTIONS:-

6. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

   AND THAT in connection with the above, pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares in the Company, such new shares when issued, to rank pari passu with existing issued shares in the Company." ***Resolution 8***

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

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Company's Constitution and Bursa Malaysia Securities Berhad (**"Bursa Securities"**) Main Market Listing Requirements (**"Listing Requirements"**) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (**"the Proposed Share Buy-Back"**) provided that:-

(i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 6 December 2022, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities;

(ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase by the Company of its own shares; and

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

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

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

(c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled; and/or

(d) transfer the shares, or any of the shares for the purposes of or under an employees' shares scheme; and/or

(e) transfer the shares, or any of the shares as purchase consideration; and/or

(f) deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 2016, the provisions of the Company's Constitution and the Listing Requirements and all other relevant governmental/regulatory authorities." ***Resolution 9***

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

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with related parties as specified in section 2.3(a) of the Circular to Shareholders dated 31 October 2023 (**"Related Parties"**) subject to the following:-

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

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

THAT the mandate given by the shareholders of the Company shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the **"Act"**) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate." ***Resolution 10***

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
31 October 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

REMOTE PARTICIPATION AND VOTING

1. *The Annual General Meeting ("AGM") will be conducted on a fully virtual basis* ***without a physical meeting venue*** *through live streaming, online remote participation and voting via the Remote Participation and Voting ("RPV") facilities provided by the appointed share registrar and poll administrator for the AGM, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at https://www.ytlpowerinternational.com/meetings to register, participate, speak (in the form of real time submission of typed texts) and vote remotely via the RPV facilities.*

MEETING PLATFORM

2. *The Meeting Platform, which is the deemed main venue of the AGM is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021.*

PROXY

3. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*

4. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

5. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*

7. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than* ***3 December 2023*** *at* ***9.30 a.m.****:*

   (i) In hardcopy form

   The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

   or alternatively,

   at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) Electronically via TIIH Online

   The Form of Proxy can be electronically lodged with Tricor via TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for the AGM.

8. *For the purpose of determining a member who shall be entitled to attend the AGM via the RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 28 November 2023. Only a depositor whose name appears on the General Meeting Record of Depositors as at 28 November 2023 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote in his stead.*

APPOINTMENT OF REPRESENTATIVE BY CORPORATE MEMBERS

9. *For a corporate member who has appointed an authorised representative to participate and vote remotely via the RPV facilities, please deposit the original certificate of appointment of corporate representative with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,*

   or alternatively,

   at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

   before the time appointed for holding the AGM or adjourned meeting.

Explanatory Notes to Ordinary Business –

Note A

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

Payment of Directors' Benefits

In accordance with the requirements of Section 230(1) of the Companies Act, 2016, approval of the members is sought for the payment of meeting attendance allowance (a benefit) to the Non-Executive Directors of the Company. If Resolution 6 is passed, the meeting attendance allowance will be payable for such period at the quantum specified.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Special Business-

Resolution pursuant to Sections 75 and 76 of the Companies Act, 2016

Resolution 8 is a renewal of the general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the Twenty-Sixth Annual General Meeting held on 6 December 2022 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of this AGM.

Resolution 8, if passed, will enable the Directors to allot and issue ordinary shares at any time up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad, without convening a general meeting which will be both time and cost consuming. The mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

By voting in favour of Resolution 8, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act, 2016 over all new shares to be allotted and issued by the Directors pursuant to this mandate.

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

For Resolution 9, further information on the Share Buy-Back is set out in Part A of the Statement to Shareholders dated 31 October 2023 which is available on the Company's website at https://www.ytlpowerinternational.com/meetings.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 10, further information on the Recurrent Related Party Transactions is set out in Part B of the Circular to Shareholders dated 31 October 2023 which is available on the Company's website at https://www.ytlpowerinternational.com/meetings.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

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

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in the Explanatory Notes to Special Business of the Notice of Twenty-Seventh Annual General Meeting.

NOTES

FORM OF PROXY

YTL Power
YTL GROUP
[Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

CDS Account No. *(only for nominee companies)*	
Number of shares held	

I/We *(full name in block letters)* ______________________________

______________________________ Tel. No. ______________

NRIC *(new & old)*/Passport/Company No. ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Power International Berhad** hereby appoint

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

* and/or *(delete as appropriate)*

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Twenty-Seventh Annual General Meeting (**"AGM"**) of the Company which will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (**"TIIH Online"**) at https://tiih.com.my (**"Meeting Platform"**) on **Tuesday, 5 December 2023** at **9.30 a.m.** or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	*Resolution*	*For*	*Against*
1.	Re-election of Tan Sri (Sir) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Yeoh Seok Kian		
3.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
4.	Re-election of Dato' Mark Yeoh Seok Kah		
5.	Approval of the payment of fees to the Non-Executive Directors		
6.	Approval of the payment of meeting attendance allowance to the Non-Executive Directors		
7.	Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company		
8.	Proposed authorisation for Directors to allot and issue shares		
9.	Proposed renewal of share buy-back authority		
10.	Proposed renewal of shareholder mandate for recurrent related party transactions of a revenue or trading nature		

Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this __________ day of ______________________ 2023

____
Signature(s)/Common Seal of Member

IMPORTANT NOTICE

The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021. Members are to participate, speak (in the form of real time submission of typed texts) and vote remotely via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at the Meeting Platform.

Notes:

1. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*
2. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
3. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*
5. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **3 December 2023** at **9.30 a.m.**:*

   (i) In hardcopy form
   The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) Electronically via TIIH Online
   The Form of Proxy can be electronically lodged with Tricor via TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for AGM.
6. *Only members whose names appear on the General Meeting Record of Depositors as at 28 November 2023 shall be entitled to attend the AGM via the RPV facilities or appoint proxy(ies) to attend and/or vote in his stead.*
7. *For a corporate member who has appointed an authorised representative to participate and vote remotely via the RPV facilities, please deposit the original certificate of appointment of corporate representative with Tricor at either of the addresses stated in Note 5(i) above, before the time appointed for holding the AGM or adjourned meeting.*

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AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for the 27th Annual General Meeting of
YTL Power International Berhad
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing