

BUILDING THE RIGHT THING

The Journey Continues...

YTL Power  
YTL GROUP



ANNUAL REPORT

2023

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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**  
**RM21,890.5 million**  
 FY2023

**Profit Before Tax**  
**RM2,449.5 million**  
 FY2023

**Total Assets**  
**RM59,132.0 million**  
 as at 30.06.2023

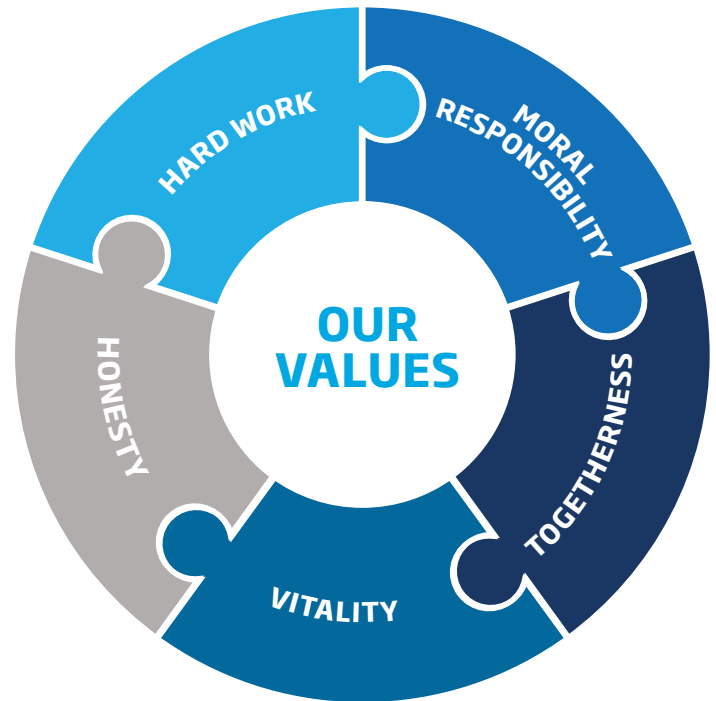
**Market Capitalisation**  
**RM16,619.9 million**  
 as at 30.09.2023

## 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, MCIQB, 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





### 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.

## MANAGING DIRECTOR'S REVIEW

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

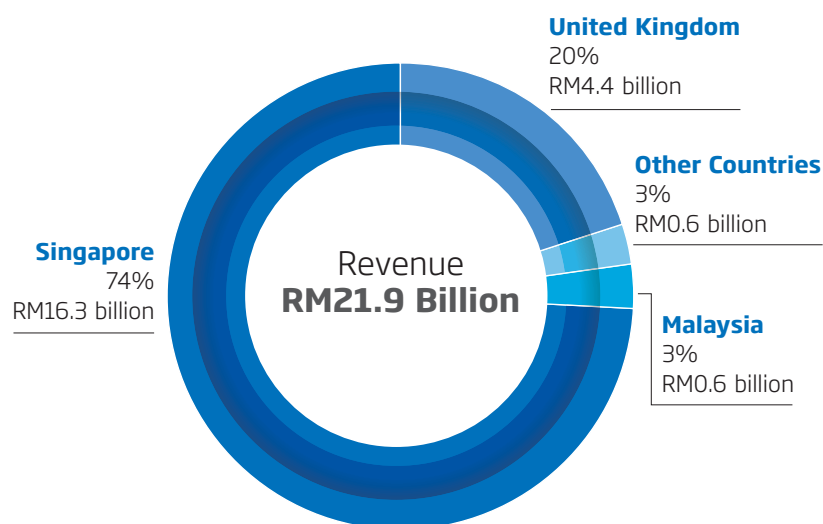
## GROUP OVERVIEW

### 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.

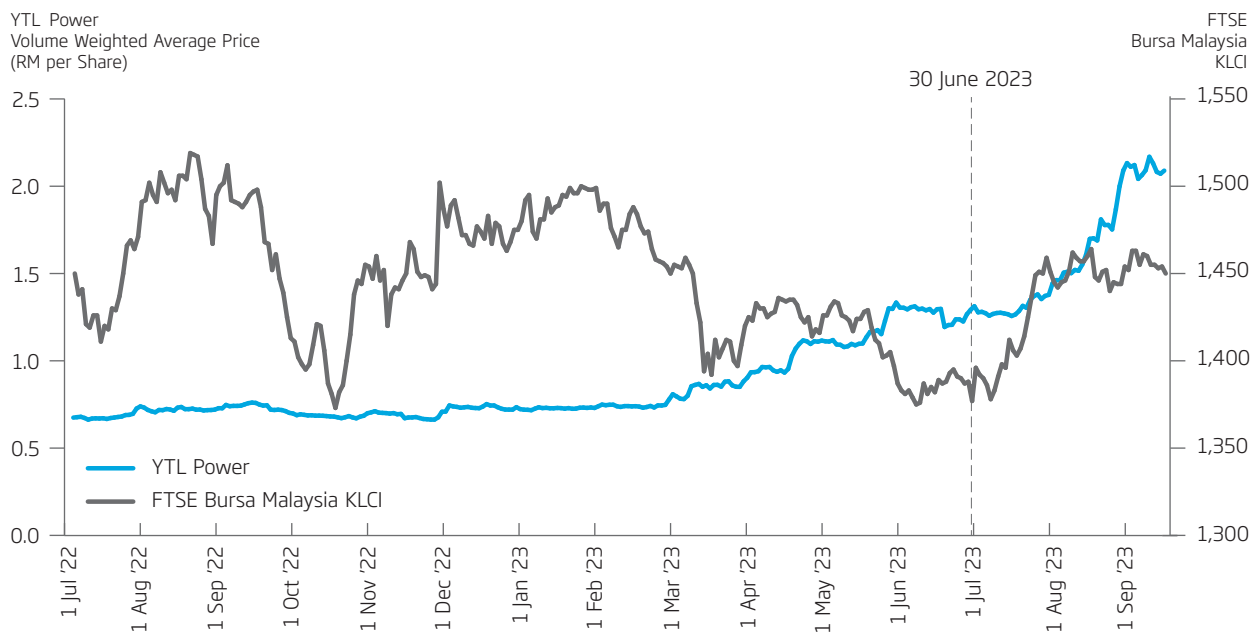
## MANAGEMENT DISCUSSION & ANALYSIS GROUP OVERVIEW

### PERFORMANCE INDICATORS

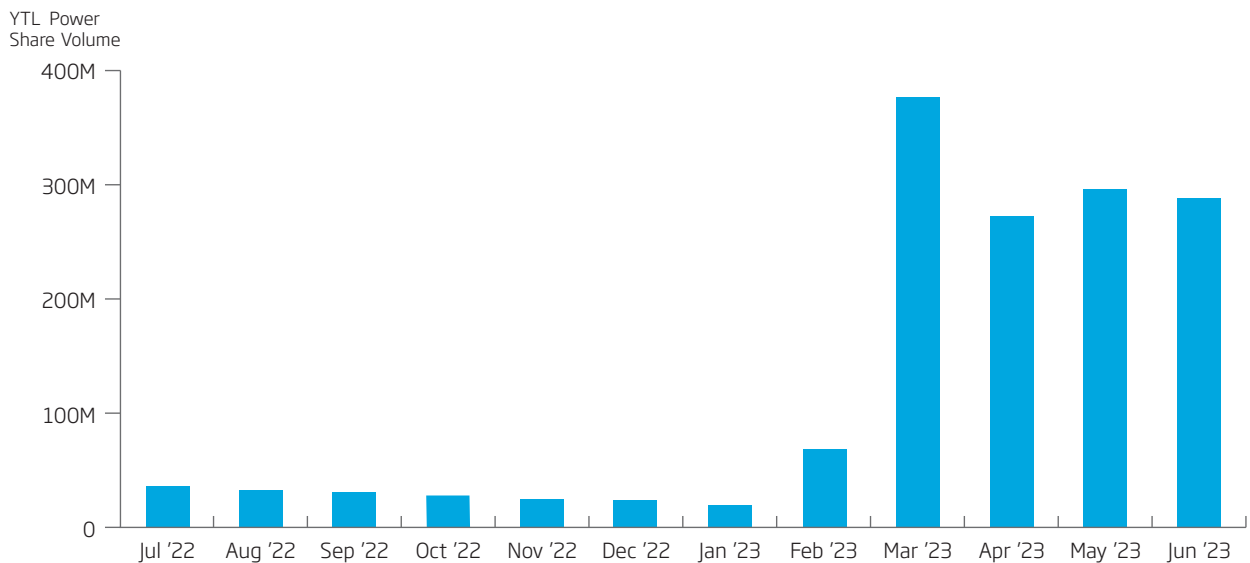
YTL Power has been listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) since 23 May 1997. YTL Power is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

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

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



**Volume of YTL Power Shares Traded on Bursa Securities**



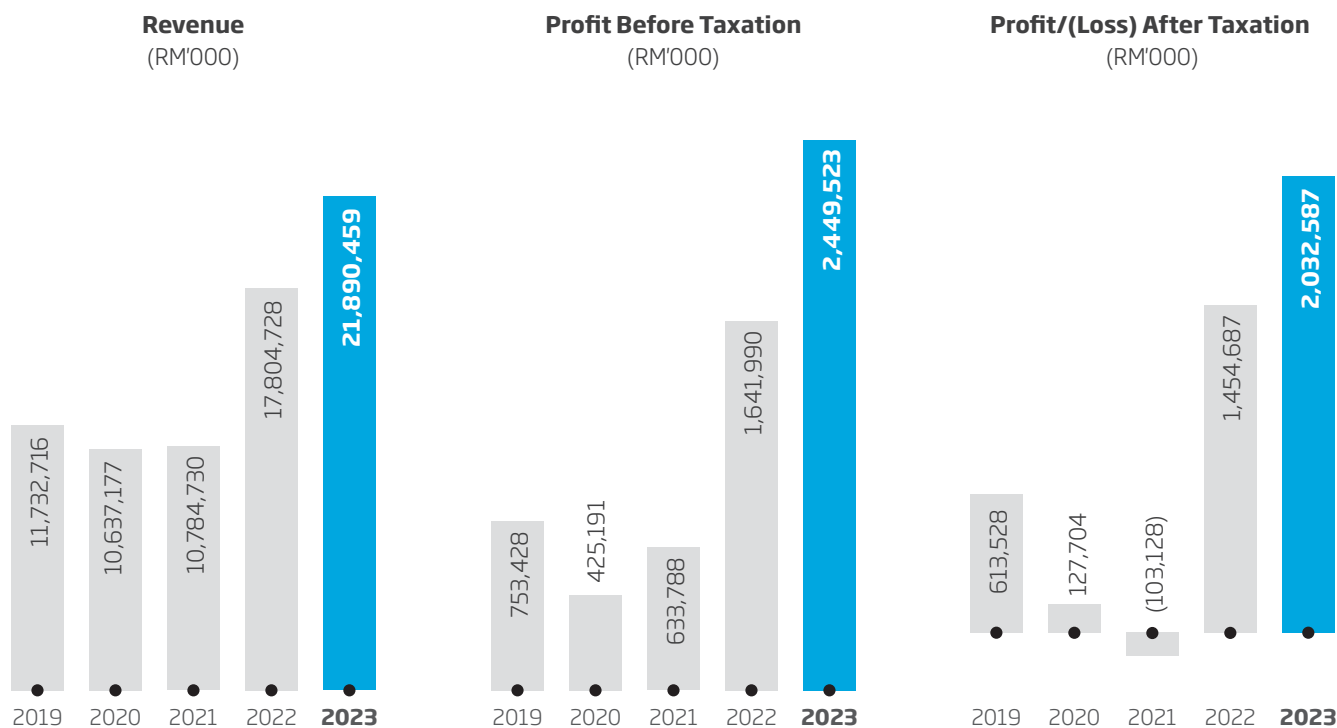
Source: Bloomberg

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW

#### FINANCIAL HIGHLIGHTS

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

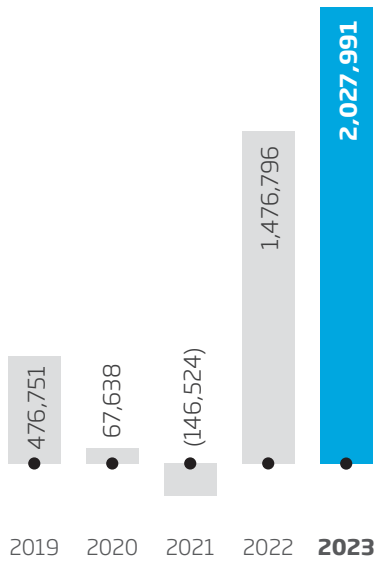




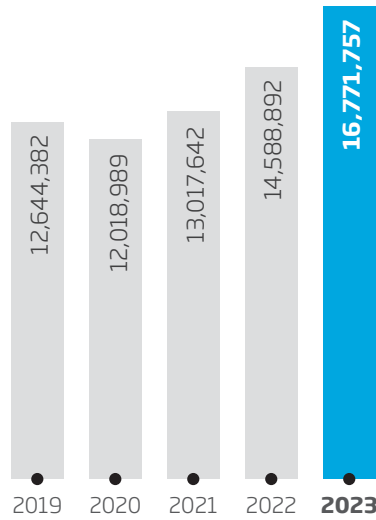
## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW

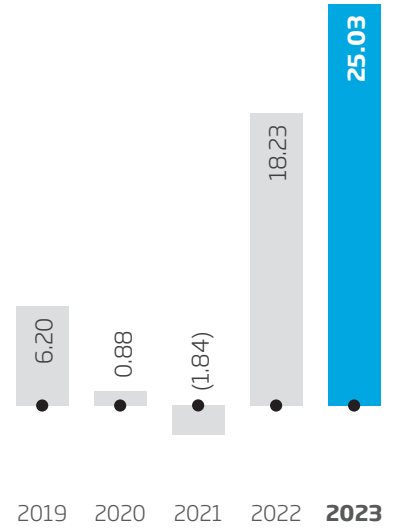
**Profit/(Loss) for the Year Attributable to Owners of the Parent**  
(RM'000)



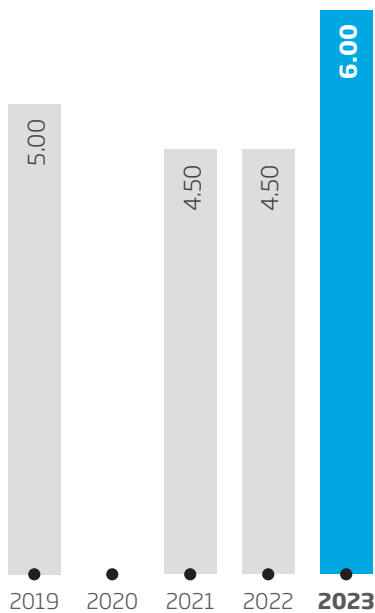
**Total Equity Attributable to Owners of the Parent**  
(RM'000)



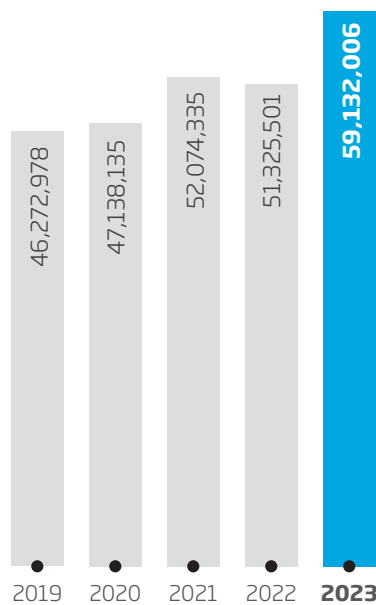
**Basic Earnings/(Loss) per Share**  
(Sen)



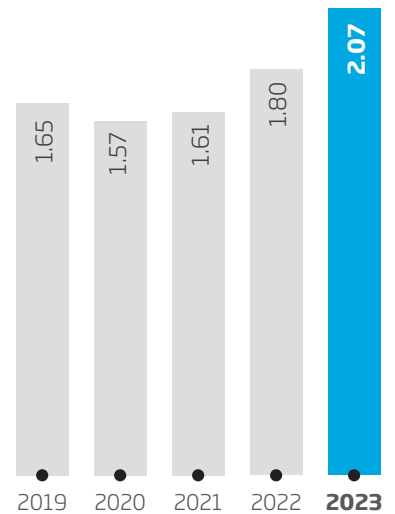
**Dividend per Share**  
(Sen)



**Total Assets**  
(RM'000)



**Net Assets per Share**  
(RM)



## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW

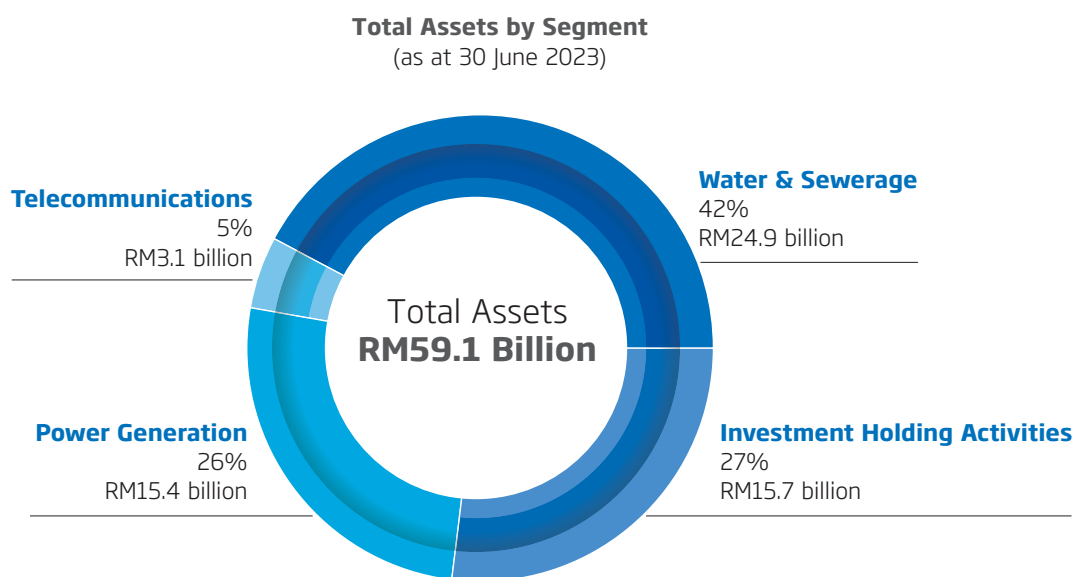
#### REVIEW OF FINANCIAL PERFORMANCE

##### 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



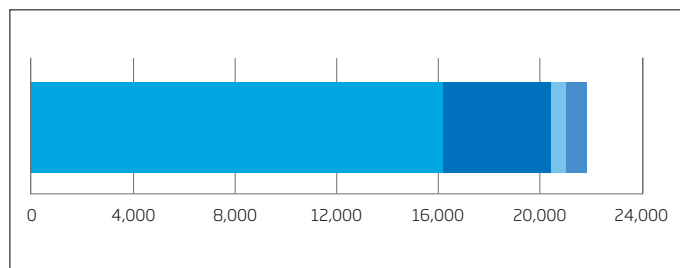
A comparison of the financial performance of each segment of the Group for the financial years ended 30 June 2023 and 30 June 2022 is set out in the following table:

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

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW

**Breakdown of Revenue 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

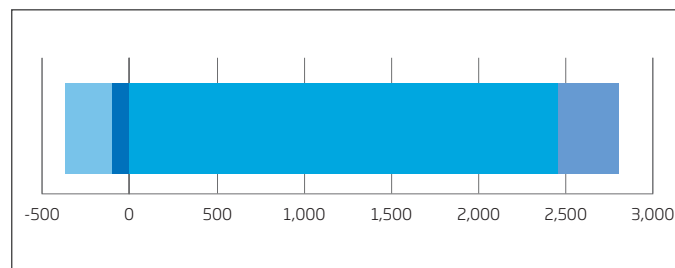
The Water & Sewerage segment recorded higher revenue of RM4,265.8 million for the financial year under review over RM4,109.5 million last year, mainly due to improved trading and new contracts within the non-household retail market.

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.

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



#### (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	<b>202,554</b>
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	<b>202,554</b>

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

## MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

# 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.

## MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

# 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.

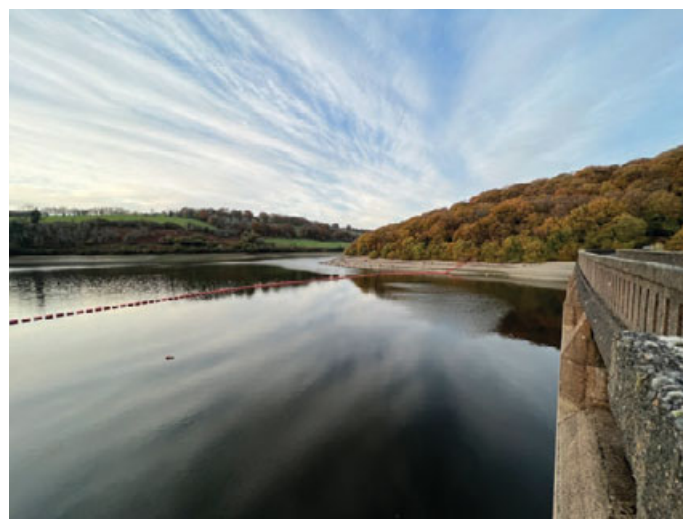
Despite the challenges, complaints from customers about the taste, odour or appearance of their water fell for the fourth consecutive year. Wessex Water met its target on water quality at home and in the workplace, where activity saw a return to pre-Covid levels, and achieved its best-ever performance 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 GBP3.0 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.



## MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

# 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.

## MANAGEMENT DISCUSSION & ANALYSIS

### SEGMENTAL REVIEW



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 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.

## MANAGEMENT DISCUSSION & ANALYSIS

### RISK MANAGEMENT

#### 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 Pembinaan 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 Weifeng, Project Manager, GPEC