

YTL CORPORATION BERHAD
Company No. 198201012898 (92647-H)
Incorporated in Malaysia

Interim Financial Report
30 June 2022

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YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial year ended 30 June 2022.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	12 Months Ended	
			30.06.2022 RM'000	30.06.2021 RM'000
Revenue	6,074,183	4,280,098	24,161,103	17,270,419
Cost of sales	<u>(5,065,385)</u>	<u>(3,718,779)</u>	<u>(20,590,158)</u>	<u>(14,111,193)</u>
Gross profit	1,008,798	561,319	3,570,945	3,159,226
Other operating income	150,628	756,393	1,704,338	1,015,062
Other operating expenses	<u>(659,729)</u>	<u>(924,002)</u>	<u>(2,535,803)</u>	<u>(2,382,970)</u>
Profit from operations	499,697	393,710	2,739,480	1,791,318
Finance costs	(424,562)	(391,094)	(1,586,696)	(1,555,047)
Share of results of associated companies and joint ventures	<u>98,645</u>	<u>100,816</u>	<u>405,939</u>	<u>395,523</u>
Profit before taxation	173,780	103,432	1,558,723	631,794
Taxation	<u>(70,044)</u>	<u>(658,424)</u>	<u>(385,036)</u>	<u>(959,178)</u>
Profit/(loss) for the period/year	<u>103,736</u>	<u>(554,992)</u>	<u>1,173,687</u>	<u>(327,384)</u>
Attributable to:-				
Owners of the parent	8,676	(407,481)	530,546	(367,664)
Non-controlling interests	<u>95,060</u>	<u>(147,511)</u>	<u>643,141</u>	<u>40,280</u>
Profit/(loss) for the period/year	<u>103,736</u>	<u>(554,992)</u>	<u>1,173,687</u>	<u>(327,384)</u>
Earnings/(loss) per share				
Basic (Sen)	<u>0.08</u>	<u>(3.83)</u>	<u>4.84</u>	<u>(3.38)</u>
Diluted (Sen)	<u>0.08</u>	<u>(3.83)</u>	<u>4.84</u>	<u>(3.38)</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	12 Months Ended	
			30.06.2022 RM'000	30.06.2021 RM'000
Profit/(loss) for the period/year	<u>103,736</u>	<u>(554,992)</u>	<u>1,173,687</u>	<u>(327,384)</u>
Other comprehensive income/(loss) :-				
<i>Items that will not be reclassified subsequently to income statement:-</i>				
- re-measurement of post-employment benefit obligations	393,165	354,623	393,165	354,623
- financial assets at fair value through other comprehensive income	(28,690)	(1,333)	(65,686)	(91,770)
- foreign currency translation	(29,000)	(16,191)	(107,332)	208,870
<i>Items that may be reclassified subsequently to income statement:-</i>				
- cash flow hedges	(12,149)	106,350	285,007	453,671
- share of other comprehensive (loss)/income of associated company	(23,940)	(3,318)	(24,638)	13,098
- foreign currency translation	<u>26,976</u>	<u>(63,330)</u>	<u>6,862</u>	<u>307,472</u>
Other comprehensive income for the period, net of tax	<u>326,362</u>	<u>376,801</u>	<u>487,378</u>	<u>1,245,964</u>
Total comprehensive income/(loss) for the period/year	<u><u>430,098</u></u>	<u><u>(178,191)</u></u>	<u><u>1,661,065</u></u>	<u><u>918,580</u></u>
Attributable to :-				
Owners of the parent	200,966	(218,801)	826,745	312,310
Non-controlling interests	<u>229,132</u>	<u>40,610</u>	<u>834,320</u>	<u>606,270</u>
Total comprehensive income/(loss) for the period/year	<u><u>430,098</u></u>	<u><u>(178,191)</u></u>	<u><u>1,661,065</u></u>	<u><u>918,580</u></u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statement.

**YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30.06.2022 RM'000	Audited As at 30.06.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	31,959,114	32,120,318
Right of use assets	1,549,620	1,712,517
Investment properties	1,991,021	1,976,498
Investment in associated companies and joint ventures	3,923,276	4,405,122
Investments	342,253	305,718
Development expenditure	819,570	1,067,428
Intangible assets	8,688,541	8,500,075
Defined benefit assets	140,452	-
Trade, other receivables and contract assets	2,708,035	1,812,182
Derivative financial instruments	20,607	26,461
	<u>52,142,489</u>	<u>51,926,319</u>
Current Assets		
Inventories	1,320,451	1,136,927
Property development costs	286,983	232,249
Trade, other receivables and contract assets	4,979,851	3,924,362
Derivative financial instruments	415,891	263,719
Income tax assets	164,152	134,979
Investments	1,500,570	2,473,454
Amount due from related parties	158,935	92,910
Fixed deposits	8,229,414	11,522,776
Cash and bank balances	3,142,922	2,155,871
	<u>20,199,169</u>	<u>21,937,247</u>
TOTAL ASSETS	<u><u>72,341,658</u></u>	<u><u>73,863,566</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited As at 30.06.2022 RM'000	Audited As at 30.06.2021 RM'000
EQUITY AND LIABILITIES		
Share capital	3,467,555	3,467,555
Other reserves	969,401	892,399
Retained profits	8,444,784	8,482,982
Less : Treasury shares, at cost	(54,452)	(54,451)
Equity Attributable to Owners of the Parent	<u>12,827,288</u>	<u>12,788,485</u>
Non-Controlling Interests	4,609,462	3,549,476
Total Equity	<u>17,436,750</u>	<u>16,337,961</u>
Non-current liabilities		
Long term payables and other contract liabilities	1,617,528	1,496,599
Bonds & borrowings	34,860,942	35,410,547
Lease liabilities	1,245,917	1,303,867
Grants and contributions	562,687	661,614
Deferred tax liabilities	3,096,546	3,060,349
Post-employment benefit obligations	21,845	481,682
Provision for liabilities and charges	24,645	27,752
Derivative financial instruments	1,367	713
	<u>41,431,477</u>	<u>42,443,123</u>
Current Liabilities		
Trade, other payables and other contract liabilities	5,575,870	4,878,041
Derivative financial instruments	21,740	34,074
Amount due to related parties	35,531	38,411
Bonds & borrowings	7,368,855	9,663,896
Lease liabilities	166,583	180,091
Income tax liabilities	187,607	159,692
Provision for liabilities and charges	117,245	128,277
	<u>13,473,431</u>	<u>15,082,482</u>
TOTAL LIABILITIES	54,904,908	57,525,605
TOTAL EQUITY AND LIABILITIES	<u>72,341,658</u>	<u>73,863,566</u>
Net Assets per share (RM)	<u>1.17</u>	<u>1.17</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

Group	← Attributable to Owners of the Parent →				Total RM'000	Non- Controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2021	3,467,555	8,482,982	(54,451)	892,399	12,788,485	3,549,476	16,337,961
Profit for the year	-	530,546	-	-	530,546	643,141	1,173,687
Other comprehensive income	-	218,466	-	77,733	296,199	191,179	487,378
Total comprehensive income for the year	-	749,012	-	77,733	826,745	834,320	1,661,065
Capital repayment upon liquidation of a non-wholly owned subsidiary	-	-	-	-	-	(1,960)	(1,960)
Changes in composition of the Group	-	(461,464)	-	-	(461,464)	629,963	168,499
Conversion of ICULS	-	(14,812)	-	(27,023)	(41,835)	-	(41,835)
Dividends paid	-	(274,102)	-	-	(274,102)	(402,337)	(676,439)
Purchase of treasury shares	-	-	(1)	-	(1)	-	(1)
Realisation of cash flow hedges upon disposal of an associate	-	(36,720)	-	20,405	(16,315)	-	(16,315)
Reclassification upon disposal of investments designated at FVOCI	-	(112)	-	62	(50)	-	(50)
Share option expenses	-	-	-	5,825	5,825	-	5,825
At 30 June 2022	<u>3,467,555</u>	<u>8,444,784</u>	<u>(54,452)</u>	<u>969,401</u>	<u>12,827,288</u>	<u>4,609,462</u>	<u>17,436,750</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

Group	← Attributable to Owners of the Parent →				Total RM'000	Non- Controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2020	3,467,555	8,982,083	(501,837)	512,535	12,460,336	3,149,593	15,609,929
(Loss)/profit for the year	-	(367,664)	-	-	(367,664)	40,280	(327,384)
Other comprehensive income	-	197,072	-	482,902	679,974	565,990	1,245,964
Total comprehensive (loss)/income for the year	-	(170,592)	-	482,902	312,310	606,270	918,580
Changes in composition of the Group	-	28,860	-	-	28,860	68,653	97,513
Dividends paid	-	-	-	-	-	(271,239)	(271,239)
Purchase of treasury shares	-	-	(30,314)	-	(30,314)	-	(30,314)
Reclassification upon disposal of investments designated at FVOCI	-	(8,333)	-	8,313	(20)	-	(20)
Share dividend	-	(477,700)	477,700	-	-	-	-
Share options expenses	-	-	-	13,512	13,512	-	13,512
Share option lapsed	-	91,580	-	(91,580)	-	-	-
Subsidiary's share option lapsed	-	37,084	-	(33,283)	3,801	(3,801)	-
At 30 June 2021	<u>3,467,555</u>	<u>8,482,982</u>	<u>(54,451)</u>	<u>892,399</u>	<u>12,788,485</u>	<u>3,549,476</u>	<u>16,337,961</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	12 Months Ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,558,723	631,794
Adjustment for :-		
Adjustment on fair value of investment properties	55,411	(70,707)
Amortisation of contract costs	1,537	3,043
Amortisation of deferred income	(6,008)	(5,924)
Amortisation of grants and contributions	(18,999)	(21,548)
Amortisation of intangible assets	68,721	79,508
Depreciation of property, plant and equipment	1,618,468	1,641,525
Depreciation of right-of-use assets	175,834	183,038
Dividend income	(4,092)	(11,290)
Fair value changes of financial assets	98,245	374,937
Impairment loss	193,874	47,987
Interest expense	1,586,696	1,555,047
Interest income	(164,064)	(161,732)
Net gain on disposal of property, plant and equipment	(76,605)	(43,735)
Net gain on disposal of subsidiary/associated companies	(1,329,683)	(407,641)
Project development costs written off	188,991	-
Property, plant and equipment written off	11,011	12,411
Provision for post-employment benefits	52,972	63,329
Share of results of associated companies and joint ventures	(405,939)	(395,523)
Share option expenses	6,978	15,071
Unrealised gain on foreign exchange	(39,297)	(27,270)
Write back of liabilities and charges	(7,821)	(7,304)
Other non cash items	4,072	(8,747)
Operating profit before changes in working capital	3,569,025	3,446,269

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 - continued

	12 Months Ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Changes in working capital:-		
Inventories	(184,237)	137,830
Property development costs	3,108	(67,063)
Receivables, deposits and prepayments	(1,891,381)	(796,983)
Payables and accrued expenses	904,942	1,472,927
Related parties balances	(68,905)	(40,017)
Cash generated from operations	<u>2,332,552</u>	<u>4,152,963</u>
Dividend received	488,722	471,677
Interest paid	(1,410,386)	(1,364,148)
Interest received	163,709	162,829
Payment to a retirement benefits scheme	(135,044)	(136,007)
Income tax paid	(297,833)	(277,011)
Net cash from operating activities	<u>1,141,720</u>	<u>3,010,303</u>
Cash flows from investing activities		
Acquisition of subsidiaries	(886,076)	-
Additional investment in associated company	(127,068)	(23,984)
Development expenditure incurred	(20,482)	(31,745)
Grants received in respect of infrastructure assets	30,803	38,482
Net decrease in deposits maturing more than 90 days	-	544,576
Net maturities/(placements) of income funds	953,102	(301,958)
Proceeds from disposal of property, plant & equipment	99,085	87,443
Proceeds from disposal of investments	1,641	216,563
Proceeds from disposal of investment in subsidiary/associates	2,006,418	419,136
Proceeds from finance lease receivables	4,741	4,766
Purchase of intangible assets	(108,059)	(31,164)
Purchase of investment properties	(7,158)	(37,065)
Purchase of investments	(131,054)	(2,887)
Purchase of property, plant & equipment	(1,885,779)	(1,910,842)
Purchase of right-of-use assets	(2,930)	-
Shareholder loans	(370,249)	(80,808)
Net cash used in investing activities	<u>(443,065)</u>	<u>(1,109,487)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 - continued**

	12 Months Ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(274,102)	-
Dividend paid to non-controlling interests by subsidiaries	(402,337)	(271,239)
Repurchase of own shares by the company (at net)	(1)	(30,314)
Repurchase of subsidiaries' shares by subsidiaries	(1)	(38,047)
Proceeds from bonds	5,000	2,407,070
Proceeds from borrowings	2,449,582	1,142,376
Upfront fees on borrowings	(23,197)	(7,479)
Proceeds from issue of shares in subsidiary to non-controlling interests	-	237,150
Capital repayment by a subsidiary	(1,960)	-
Repayment of bonds	(2,457,650)	-
Repayment of borrowings	(2,096,439)	(2,901,744)
Repayment of lease liabilities	(248,772)	(238,856)
Net cash (used in)/from financing activities	<u>(3,049,877)</u>	<u>298,917</u>
Net changes in cash and cash equivalents	(2,351,222)	2,199,733
Effects of exchange rate changes	(4,422)	352,797
Cash and cash equivalents at beginning of the financial year	<u>13,652,596</u>	<u>11,100,066</u>
Cash and cash equivalents at end of the financial year	<u><u>11,296,952</u></u>	<u><u>13,652,596</u></u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	8,229,414	11,522,776
Cash and bank balances	3,142,922	2,155,871
Deposits with maturity 90 days and more	-	-
Bank overdraft	(75,384)	(26,051)
	<u><u>11,296,952</u></u>	<u><u>13,652,596</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

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Notes:-

Disclosure requirements pursuant to MFRS 134

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2021.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2021.

The amendments to MFRSs which were effective for financial year beginning on or after 1 July 2021 do not have significant financial impact to the Group.

A2. Seasonality or Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	12 Months Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Utilities				
Sale of electricity	3,115,314	1,598,839	12,172,047	5,876,292
Sale of clean water, treatment and disposal of waste water	1,026,122	1,054,506	4,104,412	3,772,223
Sale of steam	81,226	50,342	251,186	182,630
Broadband and telecommunications	73,951	180,054	660,288	524,826
Others	92,899	69,389	300,278	216,146
	<u>4,389,512</u>	<u>2,953,130</u>	<u>17,488,211</u>	<u>10,572,117</u>

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Notes: - continued

A3. Disaggregation of revenue – continued

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	12 Months Ended	
			30.06.2022 RM'000	30.06.2021 RM'000
Cement and building materials industry				
Sale of cement and related products	1,047,686	844,562	3,850,546	4,076,215
Others	11,930	1,627	40,414	15,855
	<u>1,059,616</u>	<u>846,189</u>	<u>3,890,960</u>	<u>4,092,070</u>
Construction				
Construction contracts revenue	261,723	165,151	1,136,228	1,514,505
Hotel operations				
Hotel room and food and beverages	211,618	104,570	667,506	416,107
Others	6,148	2,068	15,670	8,054
	<u>217,766</u>	<u>106,638</u>	<u>683,176</u>	<u>424,161</u>
Property				
Sale of development properties	3,344	-	5,736	-
Sale of completed properties	26,471	136,935	103,345	229,833
Sale of lands	-	-	402,494	26,501
Others	4,832	3,415	16,479	14,485
	<u>34,647</u>	<u>140,350</u>	<u>528,054</u>	<u>270,819</u>
Management services & others				
Operation and maintenance services	18,421	21,454	97,634	95,135
Property manager fees	14,909	8,592	66,449	66,326
Food and beverages operations	2,511	1,023	7,316	3,854
Media and advertising services	610	507	3,173	3,175
Others	27,531	4,678	71,476	25,641
	<u>63,982</u>	<u>36,254</u>	<u>246,048</u>	<u>194,131</u>
Other sources				
Rental income	27,906	4,376	96,018	88,491
Interest income	18,281	26,844	89,139	103,372
Dividend income	750	1,166	3,269	10,753
	<u>46,937</u>	<u>32,386</u>	<u>188,426</u>	<u>202,616</u>
Total revenue	<u>6,074,183</u>	<u>4,280,098</u>	<u>24,161,103</u>	<u>17,270,419</u>

A4. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual in nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

INTERIM FINANCIAL REPORT

Notes: - continued

A5. Changes in estimates of amounts reported

There was no significant change in estimates of amounts reported in prior interim periods or prior financial years.

A6. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following:-

During the current financial quarter and financial year, the Company repurchased 1,000 and 2,000 ordinary shares from the open market for a total consideration of RM647 and RM1,285, respectively. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 30 June 2022, the number of treasury shares held was 58,675,950 ordinary shares.

A7. Dividend paid

There following dividend payment was made during the financial year ended 30 June 2022:

	RM'000
In respect of the financial year ended 30 June 2021:-	
An interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	<u>274,102</u>

A8. Segmental Information

The Group has six reportable segments as described below:

- (a) Construction
- (b) Cement and building materials industry
- (c) Property investment & development
- (d) Management services & others
- (e) Hotel operations
- (f) Utilities

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

There were changes to the Information technology & e-commerce related business segment after the financial year ended 30 June 2021 as this segment does not meet the quantitative thresholds required by MFRS 8 for the reportable segment. Management has concluded that this segment should be amalgamated into Management services & other segments. Comparatives have been restated to conform to the revised reportable segment.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Information - continued

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the financial year ended 30 June 2022 is as follows:-

	Construction RM'000	Cement and building materials industry RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	1,136,228	3,890,973	638,675	310,917	696,099	17,488,211	-	24,161,103
Inter-segment revenue	55,673	18,890	175,254	170,664	9,890	19,483	(449,854)	-
Total revenue	<u>1,191,901</u>	<u>3,909,863</u>	<u>813,929</u>	<u>481,581</u>	<u>705,989</u>	<u>17,507,694</u>	<u>(449,854)</u>	<u>24,161,103</u>
Segment results								
Profit/(loss) from operations	<u>65,551</u>	<u>429,765</u>	<u>301,457</u>	<u>1,042,629</u>	<u>(41,471)</u>	<u>941,549</u>	<u>-</u>	<u>2,739,480</u>
Finance costs								<u>(1,586,696)</u>
Share of profit of associated companies & joint ventures								<u>1,152,784</u>
Profit before taxation								<u>405,939</u>
								<u>1,558,723</u>
Finance costs								<u>1,586,696</u>
Depreciation and amortisation								<u>1,839,553</u>
EBITDA *								<u>4,984,972</u>

* Included a fair value loss of RM153.7 million, allowance for impairment loss of RM193.9 million and project development costs written off of RM189.0 million.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Information - continued

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the financial year ended 30 June 2021 is as follows:-

	Construction RM'000	Cement and building materials industry RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	1,514,505	4,093,509	366,596	302,980	420,712	10,572,117	-	17,270,419
Inter-segment revenue	54,756	23,968	175,089	224,610	6,921	18,853	(504,197)	-
Total revenue	<u>1,569,261</u>	<u>4,117,477</u>	<u>541,685</u>	<u>527,590</u>	<u>427,633</u>	<u>10,590,970</u>	<u>(504,197)</u>	<u>17,270,419</u>
Segment results								
Profit/(loss) from operations	<u>224,646</u>	<u>738,322</u>	<u>(266,074)</u>	<u>338,929</u>	<u>(122,184)</u>	<u>877,679</u>	<u>-</u>	<u>1,791,318</u>
Finance costs								<u>(1,555,047)</u>
Share of profit of associated companies & joint ventures								<u>236,271</u>
Profit before taxation								<u>395,523</u>
								<u>631,794</u>
Finance costs								<u>1,555,047</u>
Depreciation and amortisation								<u>1,879,642</u>
EBITDA *								<u><u>4,066,483</u></u>

* Included a fair value loss of RM304.2 million and allowance for impairment loss of RM48.0 million.

INTERIM FINANCIAL REPORT

Notes: - continued

A9. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial year ended 30 June 2022, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 17 August 2021, Business & Budget Hotels (Seberang Jaya) Sdn Bhd, an indirect subsidiary of the Company, which is inactive and has no intention to carry on business or operations in the future, commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016.
- On 17 August 2021, Extiva Communications Sdn Bhd, an indirect subsidiary of YTL Power International Berhad ("YTL Power"), which is inactive and has no intention to carry on business or operations in the future, commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016.
- On 21 September 2021, Malayan Cement Berhad ("MCB") completed the acquisition of the entire equity interest of 10 companies and their respective subsidiaries which are involved in cement and ready-mixed concrete businesses in Malaysia from its immediate holding company, YTL Cement Berhad for a total consideration of RM5,159 million ("Acquisition").

Following the Acquisition, the 10 companies and their respective subsidiaries has become wholly-owned subsidiaries of MCB and remain indirect subsidiaries of the Company.

- On 8 October 2021, YTL Seraya Limited, an indirect subsidiary of YTL Power, incorporated a wholly-owned subsidiary known as YTL Data Center Holdings Pte Ltd ("YTL Data Center") with an issued share capital of SGD1.00 comprising 1 ordinary share. YTL Data Center will be principally involved in investment holding in companies that will own and operate data centers.
- On 8 October 2021, YTL Data Center incorporated a wholly-owned subsidiary known as YTL DC No. 1 Pte Ltd ("YTLDC1") with an issued share capital of SGD1.00 comprising 1 ordinary share. YTLDC1 will be principally involved in investment holding in companies that will own and operate data centers.
- On 12 October 2021 and 25 October 2021, YTLDC1 subscribed for 1 ordinary share and 18,250,000 ordinary shares respectively, representing 50% of the issued and paid-up share capital of AP1 Pte. Ltd. ("AP1") for a total consideration of SGD18,250,001.00.

AP1 was incorporated in Singapore on 1 October 2021 and presently has an issued and paid-up share capital of SGD36,500,002.00 comprising 36,500,002 ordinary shares. AP1 is principally involved in investment holding and lease or sub-lease of real estate property.

- On 12 November 2021, Niche Retailing Sdn Bhd, an indirect wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as PP Refined Venture Sdn Bhd ("PPRV") with an issued share capital of RM1.00 comprising 1 ordinary share. PPRV will be principally involved in retailing of fashion apparels and related accessories.

INTERIM FINANCIAL REPORT

Notes: - continued

A9. Changes in the Composition of the Group - continued

- On 12 November 2021, YTL Hotel and Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, acquired 7,500 ordinary shares of £1 each, representing the entire issued share capital in Bath Colonnade Properties Limited(The) (“Bath Colonnade”). As a result of the acquisition, Bath Colonnade became a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company. Bath Colonnade is principally involved in letting of premises.
- The following indirect subsidiaries of MCB, which have been placed under member’s voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016, had on 5 January 2022 lodged the Return by Liquidator relating to Final Meeting (“Return on Final Meeting”) with Companies Commission of Malaysia:
 - (i) Probuilders Centre Sdn Bhd (“Probuilders”); and
 - (ii) Lafarge Concrete (East Malaysia) Sdn Bhd (“LCEM”).

Following the lodgement of the Return on Final Meeting, Probuilders and LCEM were officially dissolved on 5 April 2022 and ceased to be indirect subsidiaries of MCB and the Company.

- On 30 November 2021, Wessex Concierge Limited (“Wessex Concierge”)(a wholly-owned subsidiary of Wessex Water Limited (“Wessex Water”)) acquired 35 Class A shares of GBP1.00 each, representing 35% of the issued and paid-up share capital of Flipper Limited (“Flipper”) for a consideration of GBP1.00. As a result, Flipper became a wholly-owned subsidiary of Wessex Concierge and remains as an indirect subsidiary of YTL Power and the Company.
- On 5 January 2022, Wessex Water, a wholly-owned subsidiary of YTL Power, incorporated a wholly-owned subsidiary known as Entrade Ltd (“Entrade”) with an issued share capital of GBP1.00 comprising 1 ordinary share of GBP1.00 each. Entrade will be principally involved in environmental consultancy.
- On 28 January 2022, YTL Data Center incorporated a wholly-owned subsidiary known as YTL DC South Sdn Bhd (“YTLDCS”) with an issued share capital of RM1.00 comprising 1 ordinary share. YTLDCS will be principally involved in investment holding.
- On 14 February 2022, YTL Power incorporated a wholly-owned subsidiary known as YTL RE Holdings Sdn Bhd (“YTLRE”) with an issued share capital of RM1.00 comprising 1 ordinary share. YTLRE will be principally involved in investment holding.

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INTERIM FINANCIAL REPORT

Notes: - continued

A9. Changes in the Composition of the Group - continued

- On 23 February 2022, YTLRE incorporated a wholly-owned subsidiary known as YTL Southern Solar Sdn Bhd (“YTLSS”) with an issued capital of RM1.00 comprising 1 ordinary share.

YTLSS will be principally involved in:

- Investment holding;
 - Development, commissioning, operation and maintenance of solar photovoltaic power plant and transmission infrastructure and generation of electricity from green energy sources.
- On 4 March 2022, YTL Renewables Pte. Ltd. (“YTL Renewables”) was incorporated in Singapore as a wholly-owned subsidiary of YTLSS with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTL Renewables is principally involved in transmission, distribution and sale of electricity, engineering design and consultancy services in energy management and clean energy system.
 - On 8 March 2022, Wessex Water, an indirect wholly-owned subsidiary of YTL Power disposed of its 100% equity interest, comprising 100 ordinary shares of GBP0.01 each, in Albion Water Limited (“Albion Water”) for a consideration of GBP3.7 million. Consequent thereto, Albion Water ceased to be an indirect subsidiary of YTL Power and the Company.
 - On 21 March 2022, YTL Digital Payments Sdn. Bhd. (“YTL Digital Payments”) was incorporated as a wholly-owned subsidiary of YTL Power with an issued and paid-up share capital of RM1.00 comprising 1 ordinary share. YTL Digital Payments will be principally involved in the processing of digital payments via e-money platform.
 - On 18 April 2022, YTL Communications Sdn Bhd, a subsidiary of YTL Power, acquired the remaining 1,000,000 ordinary shares in YTL Broadband Sdn Bhd (“YTL Broadband”), representing 20% of the issued share capital in YTL Broadband from Mr Ang Meng Hee, for a consideration of RM1,000,000.00. As a result, YTL Broadband became an indirect wholly-owned subsidiary of YTL Power and the Company.
 - On 26 April 2022, the following companies, all indirect subsidiaries of YTL Power, were dissolved following their deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom and have ceased to be indirect subsidiaries of YTL Power and the Company:
 - (i) YTL Arena (Filton) Limited
 - (ii) Enterprise Laundry Services Limited
 - On 9 May 2022, M Hotel Management Pte Ltd, a subsidiary of YTL Hotels (Cayman) Limited, which in turn a wholly-owned subsidiary of YTL Hotels & Properties Sdn Bhd (“YTLHP”), has been struck-off from the register of the Accounting and Corporate Regulatory Authority, Singapore and ceased to be an indirect subsidiary of the Company.

INTERIM FINANCIAL REPORT

Notes: - continued

A9. Changes in the Composition of the Group - continued

- On 24 May 2022, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), a wholly-owned subsidiary of the Company, acquired the remaining 30 ordinary shares in YTL THP JV (“YTL THP”), representing 30% of the issued share capital in YTL THP from TH Properties Sdn Bhd, for a consideration of RM1.00. As a result, YTL THP became an indirect wholly-owned subsidiary of SPTYL and the Company.

A10. Changes in Contingent Liabilities or Contingent Assets

There were no significant changes in the contingent liabilities of the Group since the last financial year ended 30 June 2021.

A11. Subsequent Events

There were no items, transactions or events of material or unusual in nature during the year from the end of the quarter under review to the date of this report.

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INTERIM FINANCIAL REPORT

Notes: - continued

A12. Fair value measurement

The Group measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

- (a) Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value as at:-

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2022				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	884	-	884
- Income/equity funds	-	1,500,658	-	1,500,658
- Equity investments	14,790	85,825	-	100,615
Derivative used for hedging	-	435,614	-	435,614
Financial assets at fair value through other comprehensive income	15,428	19,873	206,249	241,550
	<u>30,218</u>	<u>2,042,854</u>	<u>206,249</u>	<u>2,279,321</u>
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	760	-	760
Derivative used for hedging	-	22,347	-	22,347
	<u>-</u>	<u>23,107</u>	<u>-</u>	<u>23,107</u>

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YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

Notes: - continued

Disclosure requirements per Part A of Appendix 9B of the Bursa Securities Main Market Listing Requirements

B1. Review of Performance

	Individual Quarter		Variance	Cumulative Quarter		Variance
	30.06.2022	30.06.2021	%	30.06.2022	30.06.2021	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
Revenue						
Construction	261,723	165,151	58%	1,136,228	1,514,505	-25%
Cement and building materials industry	1,059,629	846,354	25%	3,890,973	4,093,509	-5%
Property investment & development	63,201	143,402	-56%	638,675	366,596	74%
Management services & others	42,905	67,795	-37%	310,917	302,980	3%
Hotels	221,245	104,266	112%	696,099	420,712	65%
Utilities	4,425,480	2,953,130	50%	17,488,211	10,572,117	65%
	<u>6,074,183</u>	<u>4,280,098</u>		<u>24,161,103</u>	<u>17,270,419</u>	
Profit/(loss) before taxation						
Construction	9,446	42,581	-78%	61,402	217,403	-72%
Cement and building materials industry	115,535	261,578	-56%	263,675	562,886	-53%
Property investment & development	(43,671)	(254,594)	83%	203,809	(380,299)	154%
Management services & others	(68,973)	(69,279)	0%	505,786	(242,338)	309%
Hotels	(4,601)	(4,822)	5%	(81,691)	(153,565)	47%
Utilities	166,044	127,968	30%	605,742	627,707	-3%
	<u>173,780</u>	<u>103,432</u>		<u>1,558,723</u>	<u>631,794</u>	

For the current financial quarter under review, the Group revenue was RM6,074.2 million as compared to RM4,280.1 million, recorded in the preceding year corresponding quarter. The Group recorded a profit before tax of RM173.8 million for the current financial quarter. This represents an increase of RM70.3 million or 68.0% as compared to a profit of RM103.4 million recorded in the preceding year corresponding quarter.

For the current financial year under review, the Group revenue was at RM24,161.1 million as compared to RM17,270.4 million recorded in the preceding financial year ended 30 June 2021. The Group profit before taxation for the current financial year stood at RM1,558.7 million. This represents an increase of RM927.0 million or 146.7% as compared to a profit of RM631.8 million recorded in the preceding year.

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INTERIM FINANCIAL REPORT

Notes – continued

The Group has continued to manage and mitigate, where possible, the unprecedented disruptions brought about since the outbreak of the global COVID-19 pandemic. The ongoing effects of the COVID-19 pandemic on the performance of the respective operating business segments for the financial quarter/year ended 30 June 2022 as compared to the preceding year corresponding quarter/year have been included in the following analysis:

Construction

For the current financial quarter under review, the increase in revenue was principally due to the increase in construction activities. Despite the higher revenue, the decrease in profit before tax was mainly due to higher construction costs incurred.

For the current financial year under review, the decrease in revenue was due to lower construction activities following enhanced movement controls at the start of the financial year whilst profit before tax was lower due to higher construction costs incurred.

Cement and building materials industry

For the current financial quarter under review, the increase in revenue and profit before tax was mainly attributed to increases in selling price and volume from the domestic market (after adjusting for the one-off gain of RM257.6 million from the disposal of cement operation in China recorded in the preceding year corresponding quarter).

However, for the current financial year under review, the decrease in revenue and profit before tax was significantly due to the impact of the COVID-19 pandemic in the domestic and Vietnam markets coupled with the absence of the gain on disposal of cement business as mentioned above.

Property investment & development

For the current financial quarter under review, the increase in revenue as compared to the preceding year corresponding quarter (after adjusting for revenue of approximately RM137.1 million recorded by a project that the Group divested) was mainly due to sales recorded by on-going projects and lower fair value loss on unbilled lease income recorded by YTL Hospitality REIT. However, the reduction in loss before tax was mainly due to the absence of impairment loss on vendor notes.

For the current financial year under review, the significant increase in revenue was primarily attributable to sales recorded under the development project undertaken by YTL Property Holdings (UK) Ltd. and the sale of lands. The increase in profit before tax was mainly due to the gain on sale of lands.

Management services & others

For the current financial quarter under review, the decrease in revenue and loss before tax was mainly due to lower interest income, lower distribution income received from investment in a fund by a foreign subsidiary of the Company coupled with project development costs written off.

However, for the current financial year under review, the increase in revenue was mainly due to higher rental income. The significant increase in profit before tax was principally attributable to the one-off gain following the disposal of the investment in ElectraNet Pty. Ltd. and was partially offset by project development costs written off.

INTERIM FINANCIAL REPORT

Notes – continued

Hotels

For the current financial quarter/year under review, the increase in revenue and reduction in loss before tax recorded were mainly attributable to better performances of our hotels and resorts following the easing of movement restrictions in the United Kingdom and Malaysia.

Utilities

For the current financial quarter under review, the performance of the divisions within the Utilities segment is set out below:-

- Multi utilities business (Merchant) division recorded higher revenue primarily due to the higher pool and fuel oil price. However, the increase in profit before taxation was mainly due to the higher retail margin.
- Water & sewerage division, lower profit before taxation was mainly due to higher operating cost and interest accretion on index-linked bonds, whilst revenue approximated that of the preceding year corresponding quarter.
- For Telecommunications division, lower revenue and higher loss before tax were recorded mainly due to lower project revenues.
- For Power Generation (Contracted) division, no revenue was recorded following the expiry of the extended power purchase agreement for the Paka Power Station on 30 June 2021. However, the higher profit before tax was mainly due to the gain on disposal of assets.

For the current financial year under review, performance of the respective operating business divisions was consistent with the notes mentioned above with the exception of the following business divisions:

- Multi utilities business (Merchant) division recorded higher revenue primarily due to the higher pool and fuel oil price. The increase in profit before tax was mainly due to higher pool gains and retail margin.
- Water & sewerage division recorded higher revenue was contributed primarily from improved trading and new contracts within the non-household retail market. The lower profit before taxation was mainly due to interest accretion on index-linked bonds and environmental obligations.
- Telecommunications business division, growth in subscriber base resulting from affordable data plans bolstered by partnerships and collaborations lead to an increase in revenue, whilst loss before taxation approximated that of the preceding year.

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INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2022 RM'000	Preceding Quarter 31.03.2022 RM'000	Variance % +/-
Revenue	6,074,183	6,170,650	-2%
Profit before taxation	173,780	917,619	-81%
Profit after taxation	103,736	828,670	-87%

The lower profit before taxation as compared to the preceding quarter was principally attributable to the gain on disposal of the investment in ElectraNet by the Utilities division recognized in the preceding quarter.

B3. Audit Report of the preceding financial year ended 30 June 2021

The Auditors' Report on the financial statements of the financial year ended 30 June 2021 did not contain any qualification.

B4. Prospects

The prospects of the respective business segments of the Group for the financial year ended 30 June 2022 are set out below.

Construction

With the economic activities moving back to normalcy, management has been proactive in taking actions to ensure construction work-in-progress is on track and to replenish its order book. This segment is expected to contribute positively based on its current order book.

Cement and building materials industry

The economy is expected to strengthen in the second half of the calendar year as the country transitions into the endemic phase of COVID-19. In line with the wider economic activities and more favourable external and internal demand, the construction sector is also on the path to recovery on the back of the revival and acceleration of major infrastructure projects and affordable housing projects. The positive outlook of the construction sector may, however be impacted by higher input prices, rising logistics costs and geopolitical uncertainties which may have a knock-on effect on cement demand.

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INTERIM FINANCIAL REPORT

Notes – continued

B4. Prospects - continued

Property investment & development

The property sector is expected to see a modest recovery in line with returning consumer confidence as most economic sectors rebound, supported by measures announced to foster recovery of the property market, such as the Home Ownership Campaign Programme. Notwithstanding, the Group will continue to review the sales and marketing strategies to improve its visibility, propel sales momentum as well as undertake project launches.

Management services & others/Hotels

The prospects for the hospitality industry remain cautiously optimistic amidst the reopening of international borders and the gradual transition towards managing the endemic phase of COVID-19. Countries, where the Group operates, are in various stages of relaxing quarantine measures, coupled with measures to bolster economic recovery and revive tourism. Whilst there are ongoing concerns of a resurgence of the virus and the emergence of new variants, the impact is expected to be mitigated by vaccination programmes and more targeted control measures.

The Group is continuously taking steps to proactively manage the business and take necessary actions to ensure that the Group's long-term business prospects remain stable. Notwithstanding the short-term challenges, the Group remains confident in the long-term prospects of the hospitality sector.

Utilities

▪ Multi utilities business (Merchant)

In October 2021, YTL PowerSeraya Pte Limited was appointed as the electricity importer for a two-year trial to import 100MW of electricity from Malaysia via existing interconnectors, following a Request for Proposal issued in March 2021 by the Energy Market Authority of Singapore ("EMA"). As the appointed electricity importer, YTL PowerSeraya will work with the EMA to refine all technical settings and regulatory arrangements under the Singapore's Electricity Import Framework during the two-year trial, and import will commence upon the receipt of the requisite approvals from both countries.

The proposed acquisition of Tuaspring announced on 12 March 2020 was completed on 1 June 2022. This is a logical extension of the Group's existing multi utilities operations. The power plant and associated assets of Tuaspring, which is the newest combined cycle power plant in Singapore, have been integrated into existing businesses and expected to contribute positively to the future earnings of the Group.

As power generation is an essential service, electricity demand is expected to remain stable. This segment will continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

▪ Water & sewerage

As Wessex Water enters the third year of its Price Review ("PR19"), it continues to work towards delivering the investment commitments agreed with the regulator. By the end of the Price Review period on 31 March 2025, Wessex Water will have delivered RM6.9 billion (GBP1.3 billion) of capital investment with a resulting RAB value in excess of RM20.8 billion (GBP3.9 billion). Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

INTERIM FINANCIAL REPORT

Notes – continued

B4. Prospects - continued

▪ Telecommunications business

In December 2021, together with Digital Nasional Bhd's ("DNB") pilot launch of Malaysia's 5G wholesale services in the Klang Valley, YTL Communications launched its 5G services, becoming the first telco in Malaysia to offer 5G access to its customers. The Group's YES #FirstTo5G and Infinite data plans which currently provide unlimited 5G plus 4G data and its Infinite+ device plans, enables users to experience the fifth generation of wireless mobile technology, delivering higher data speed, ultra-low latency, more reliable coverage, massive network capacity and a more uniform user experience. YTL Communications expects to extend its 5G services to the rest of the country in tandem with the rollout of DNB's 5G network. DNB plans to have 5G cover 40 per cent of the population by the end of 2022 and 80 per cent coverage by 2024.

The 5G roll-out is in line with Jalanan Digital Negara ("JENDELA"), the plan to upgrade Malaysia's digital communications infrastructure formulated by the Government and the Malaysian Communications and Multimedia Commission launched in August 2020. Initial phases of the plan focused on expanding 4G mobile broadband coverage and increasing broadband speeds, with the shutting down of 3G by the end of 2021. As such, YTL Communications' pure-4G YES network, coupled with its First-to-5G access, is well positioned to continue to attract subscribers and meet the country's digital infrastructure needs. YTL Communications has recently been awarded part of the JENDELA Phase 1 (Part 2) project for the design, supply, installation, testing, commissioning, operation of the network service equipment and services related to the provisioning of public cellular services.

In response to the COVID-19 pandemic, YTL Communications and FrogAsia in collaboration with YTL Foundation, a charitable foundation funded principally by the YTL Group, launched the Learn from Home Initiative in March 2020 to enable students to learn from home. Under the initiative, YTL Foundation provided, among others, free YES SIM cards with 40GB of data to students registered in government schools and partner tertiary education institutions. The data plans provided under the initiative were extended to 31 August 2022 to help ease the transition back to physical classes as schools adopted hybrid teaching models. The initiative was also extended to cater for the 2021/2022 intake of university and polytechnic students.

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

By offering affordable data plans and offering innovative 5G services, this segment is looking to increase its subscriber base bolstered by partnerships and collaborations.

INTERIM FINANCIAL REPORT

Notes – continued

B4. Prospects - continued

▪ Power generation (Contracted)

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

▪ Investment holding activities

The Group is also developing the YTL Green Data Center Park within the Kulai Young Estate. 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 and Chinese data center developer, GDS Holdings Limited, one of the largest data center companies globally, to anchor and jointly develop the initial phases of this world-class green facility. The campus will incorporate innovative and sustainable solutions in design and operations to achieve high-energy efficiency and is expected to serve a growing demand in the region for eco-friendly, cost-efficient data center solutions from hyperscalers and co-location customers alike.

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

Despite the challenging outlook, the Group expects the performance of its business segments to remain resilient as these segments' operations are substantially essential in nature. The Group will continue to closely monitor the related risks and impact on all business segments.

B5. Profit Forecast

The Group did not issue any profit forecast or profit guarantee for the current financial quarter.

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**YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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Notes – continued

B6. Profit for the period/year

	Current Quarter 30.06.2022 RM'000	Year To Date 30.06.2022 RM'000
Profit for the period/year is stated after charging/(crediting):		
Adjustment on fair value of investment properties	58,192	55,411
Allowance for impairment of investments	3,692	3,692
Allowance for impairment of receivables - net of reversal	34,594	114,468
Amortisation of contract costs	277	1,537
Amortisation of grants and contributions	(14,994)	(18,999)
Amortisation of intangible assets	45,956	68,721
Depreciation of property, plant and equipment	397,827	1,618,468
Depreciation of right-of-use assets	39,478	175,834
Dividend income	(1,393)	(4,092)
Fair value changes of financial assets	16,290	98,245
Interest expense	424,562	1,586,696
Interest income	(15,250)	(71,663)
Gain on foreign exchange	(62,270)	(304)
Net gain on disposal of property, plant and equipment	(27,093)	(76,605)
Net gain on disposal of subsidiary/associated companies	(6,710)	(1,329,683)
Project development costs written off	64,766	188,991
Property, plant and equipment written off	1,505	11,011
(Write back of)/Allowance for impairment of intangible assets	(152)	84,726
(Write back of)/Allowance for impairment of inventories	(1,277)	1,288
(Write back)/Amortisation of deferred income	9,010	(6,008)
Write back of impairment of property, plant and equipment	(10,300)	(10,300)
Write back of liabilities and charges	(7,821)	(7,821)

Other than the above items, there was no other investment income, write-off of receivables, gain or loss on disposal of properties, impairment of assets and exceptional items for the current financial quarter and financial year.

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Notes – continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.06.2022 RM'000	Year To Date 30.06.2022 RM'000
In respect of current period/year		
- Income tax	73,403	298,940
- Deferred tax	(3,359)	86,096
	<u>70,044</u>	<u>385,036</u>

The higher effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter date was mainly due to the non-deductibility of certain expenses for tax purposes and partially offset by income subjected to different tax jurisdictions.

B8. Corporate Developments

Corporate Proposals Announced and Pending Completion

There were no corporate proposals announced by the Company which are not completed as at the date of this report.

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Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 30 June 2022 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current			
Bankers' acceptances and trade facilities	-	58,929	58,929
Bank overdrafts	-	75,384	75,384
Hire purchase creditors	2,303	-	2,303
Revolving credit	30,000	3,469,041	3,499,041
Term loans	233,172	870,026	1,103,198
Bonds	-	2,630,000	2,630,000
	<u>265,475</u>	<u>7,103,380</u>	<u>7,368,855</u>
Non-current			
Hire purchase creditors	5,270	-	5,270
Revolving credit	165,633	1,868,247	2,033,880
Term loans	1,902,815	13,336,039	15,238,854
Bonds	-	17,582,938	17,582,938
	<u>2,073,718</u>	<u>32,787,224</u>	<u>34,860,942</u>
Total borrowings	<u>2,339,193</u>	<u>39,890,604</u>	<u>42,229,797</u>

Foreign currency borrowings included in the above are as follows :-

	Foreign	RM
	Currency	Equivalents
	'000	'000
US Dollar	344,826	1,519,131
Singapore Dollar	2,125,933	6,729,854
Sterling Pound	2,637,258	14,090,869
Japanese Yen	18,362,223	592,182
Thai Baht	1,963,054	244,889
Australia Dollar	489,269	1,485,470
Euro	397	1,828
		<u>24,664,223</u>

Save for the borrowings of RM246.2 million, US Dollar 220.0 million, Sterling Pound 87.4 million, Yen 8.0 billion and Euro 1.1 million by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

INTERIM FINANCIAL REPORT

Notes – continued

B10. Derivatives Financial Instruments, Fair Value Changes of Financial Liabilities

(a) Derivatives Financial Instruments

As at 30 June 2022, the Group's outstanding derivatives are as follows:-

Type of Derivatives	Contractual notional amount RM'000	Fair Value RM'000
<u>Fuel oil Swaps</u>		
- Less than 1 year	1,475,929	367,324
- 1 year to 3 years	149,408	14,851
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,628,405	34,900
- 1 year to 3 years	289,445	4,389
- More than 3 years	-	-
<u>Electricity futures</u>		
- Less than 1 year	14,404	(8,073)
- 1 year to 3 years	-	-
- More than 3 years	-	-

The Group entered into fuel oil swaps to hedge highly probable forecast fuel purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

The Group entered into electricity futures to hedge highly probable forecast sale of electricity that are expected to occur at various dates in the future. The electricity futures have maturity dates that match the expected occurrence of these transactions.

All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

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INTERIM FINANCIAL REPORT

Notes – continued

B10. Derivatives Financial Instruments, Fair Value Changes of Financial Liabilities - continued

(b) Fair Value Changes of Financial Liabilities

The losses arising from fair value changes of financial liabilities for the current financial year ended 30 June 2022 are as follows:-

Type of financial liabilities	Basis of fair value measurement	Reason for the loss	Fair value loss	
			Current Quarter 30.06.2022 RM'000	Year to date 30.06.2022 RM'000
Currency forwards	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved unfavourably against the Group	(15)	(14)
Electricity futures	Electricity price differential between the contracted price and the market futures price	Electricity price differential between the contracted price and the market futures price which have moved in unfavourably against the Group	-	(4)
Total			(15)	(18)

B11. Material litigation

There was no material litigation pending as at the date of the last financial statements of financial position.

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Notes: - continued

B12. Dividend

The Board of Directors (“Board”) is pleased to declare an interim dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2022.

The book closure and payment dates in respect of the aforesaid dividend are 11 November 2022 and 29 November 2022, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2022 (2021: nil).

B13. Earnings/(loss) Per Share

(i) Basic earnings/(loss) per share

The basic earnings/(loss) per share of the Group has been computed by dividing the net profit/(loss) attributable to owners of the parent for the financial quarter/year by the weighted average number of ordinary shares in issue during the financial quarter/year as set out below:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022	Preceding Year Corresponding Quarter 30.06.2021	12 Months Ended	
			30.06.2022	30.06.2021
Profit/(loss) attributable to owners of the parent (RM'000)	<u>8,676</u>	<u>(407,481)</u>	<u>530,546</u>	<u>(367,664)</u>
Weighted average number of ordinary shares ('000)	10,964,088	10,649,855	10,964,087	10,864,161
Basic earnings/(loss) per share (sen)	<u>0.08</u>	<u>(3.83)</u>	<u>4.84</u>	<u>(3.38)</u>

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**YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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Notes: - continued

B13. Earnings/(loss) Per Share - continued

(ii) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share of the Group has been computed by dividing the net profit/(loss) attributable to owners of the parent for the financial quarter/year by the weighted average number of ordinary shares in issue during the financial quarter/year as set out below:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022	Preceding Year Corresponding Quarter 30.06.2021	12 Months Ended	
			30.06.2022	30.06.2021
Profit/(loss) attributable to owners of the parent (RM'000)	<u>8,676</u>	<u>(407,481)</u>	<u>530,546</u>	<u>(367,664)</u>
<i>Adjusted weighted average number of ordinary shares - diluted ('000)</i>				
Weighted average number of ordinary shares - basic	10,964,088	10,649,855	10,964,087	10,864,161
Effect of unexercised employees share option scheme	<u>1,168</u>	<u>-</u>	<u>1,168</u>	<u>-</u>
	<u>10,965,256</u>	<u>10,649,855</u>	<u>10,965,255</u>	<u>10,864,161</u>
Diluted earnings/(loss) per share (sen)	<u>0.08</u>	<u>(3.83)</u>	<u>4.84</u>	<u>(3.38)</u>

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM161.6 million. Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM161.6 million resulting in a decrease in NA per share of RM0.01. In arriving at the diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 25 August 2022