

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

Interim Financial Report
30 June 2021

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YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial year ended 30 June 2021.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2020 RM'000	12 MONTHS ENDED	
			30.6.2021 RM'000	30.6.2020 RM'000
Revenue	3,026,903	2,291,570	10,782,762	10,637,177
Cost of sales	(2,759,299)	(2,046,472)	(9,342,362)	(9,131,216)
Gross profit	267,604	245,098	1,440,400	1,505,961
Other operating income	199,187	61,825	302,415	131,875
Other operating expenses	(172,995)	(106,929)	(520,061)	(583,200)
Profit from operations	293,796	199,994	1,222,754	1,054,636
Finance costs	(241,863)	(247,480)	(952,293)	(1,083,661)
Share of profits of investments accounted for using the equity method	100,513	146,889	365,996	454,216
Profit before taxation	152,446	99,403	636,457	425,191
Taxation	(614,656)	(192,444)	(735,116)	(297,487)
(Loss)/Profit for the period/year	(462,210)	(93,041)	(98,659)	127,704
Attributable to:				
Owners of the parent	(486,695)	(140,778)	(143,065)	67,638
Non-controlling interests	24,485	47,737	44,406	60,066
	(462,210)	(93,041)	(98,659)	127,704
(Loss)/Earnings per share attributable to owners of the parent				
Basic/Diluted (sen)	(6.01)	(1.83)	(1.80)	0.88

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2020 RM'000	12 MONTHS ENDED	
			30.6.2021 RM'000	30.6.2020 RM'000
(Loss)/Profit for the period/year	(462,210)	(93,041)	(98,659)	127,704
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to income statement:</i>				
Financial assets at fair value through other comprehensive income	(262)	(6,508)	(6,169)	(26,699)
Re-measurement of post- employment benefit obligations:				
- Subsidiaries	347,652	(181,506)	347,652	(181,506)
- Associates and joint ventures	6,971	(663)	6,971	(663)
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- Subsidiaries	65,089	233,339	412,410	(157,396)
- Associates and joint ventures	41,220	98,539	41,220	(6,626)
Currency translation differences:				
- Subsidiaries	30,687	187,043	546,309	50,100
- Associates and joint ventures	(7,456)	37,064	(23,243)	64,435
Other comprehensive income/(loss) for the period/year, net of tax	483,901	367,308	1,325,150	(258,355)
Total comprehensive income/(loss) for the period/year	21,691	274,267	1,226,491	(130,651)
Attributable to:				
Owners of the parent	(2,171)	228,685	1,199,991	(215,189)
Non-controlling interests	23,862	45,582	26,500	84,538
	21,691	274,267	1,226,491	(130,651)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	30.6.2021	30.6.2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,207,338	21,880,462
Investment properties	635,004	467,208
Project development costs	259,744	248,617
Intangible assets	8,674,531	8,641,718
Right-of-use assets	503,571	621,765
Investments accounted for using the equity method	2,212,214	2,215,451
Investments	211,693	215,369
Derivative financial instruments	26,461	10,585
Receivables, deposits and prepayments	1,517,289	1,384,457
	-----	-----
	38,247,845	35,685,632
	-----	-----
Current assets		
Inventories	349,820	311,910
Investments	1,752,455	1,389,043
Receivables, deposits and prepayments	2,884,688	2,192,566
Derivative financial instruments	263,719	74,259
Cash and bank balances	8,604,811	7,484,725
	-----	-----
	13,855,493	11,452,503
	-----	-----
TOTAL ASSETS	52,103,338	47,138,135
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	6,031,088	5,688,663
Treasury shares, at cost	(46,732)	(708,261)
	-----	-----
Equity attributable to owners of the parent	13,022,943	12,018,989
Non-controlling interests	(109,203)	23,765
	-----	-----
TOTAL EQUITY	12,913,740	12,042,754
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED	AUDITED
	As at	As at
	30.6.2021	30.6.2020
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	2,939,407	2,029,692
Borrowings	25,868,921	20,153,160
Lease liabilities	442,237	454,145
Post-employment benefit obligations	459,874	888,898
Grants and contributions	693,331	596,668
Derivative financial instruments	713	15,401
Payables	1,446,265	1,280,697
	-----	-----
	31,850,748	25,418,661
	-----	-----
Current liabilities		
Payables and accrued expenses	2,737,341	2,050,968
Derivative financial instruments	34,074	174,944
Post-employment benefit obligations	1,324	655
Taxation	55,558	3,695
Borrowings	4,487,056	7,311,704
Lease liabilities	23,497	134,754
	-----	-----
	7,338,850	9,676,720
	-----	-----
TOTAL LIABILITIES	39,189,598	35,095,381
	-----	-----
TOTAL EQUITY AND LIABILITIES	52,103,338	47,138,135
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.61	1.57
	====	====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	-----Attributable to Owners of the Parent-----					Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 1 July 2020	7,038,587	(1,692,576)	(708,261)	7,381,239	12,018,989	23,765	12,042,754
(Loss)/Profit for the financial year	-	-	-	(143,065)	(143,065)	44,406	(98,659)
Other comprehensive income/(loss) for the financial year	-	988,423	-	354,633	1,343,056	(17,906)	1,325,150
Total comprehensive income for the financial year	-	988,423	-	211,568	1,199,991	26,500	1,226,491
Effects arising from changes in composition of the Group	-	-	-	536	536	(6,053)	(5,517)
Dividends paid	-	-	-	(162,043)	(162,043)	(153,415)	(315,458)
Share dividend	-	-	699,576	(699,576)	-	-	-
Share option expenses	-	3,517	-	-	3,517	-	3,517
Share option lapsed	-	(37,084)	-	37,084	-	-	-
Share repurchased	-	-	(38,047)	-	(38,047)	-	(38,047)
At 30 June 2021	7,038,587	(737,720)	(46,732)	6,768,808	13,022,943	(109,203)	12,913,740

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

	-----Attributable to Owners of the Parent-----					Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 30 June 2019, as previously reported	7,038,587	(1,596,412)	(708,259)	7,910,466	12,644,382	226,280	12,870,662
Adjustments from adoption of MFRS 16	-	-	-	(31,570)	(31,570)	(20,791)	(52,361)
At 1 July 2019, as restated	7,038,587	(1,596,412)	(708,259)	7,878,896	12,612,812	205,489	12,818,301
Profit for the financial year	-	-	-	67,638	67,638	60,066	127,704
Other comprehensive (loss)/income for the financial year	-	(100,669)	-	(182,158)	(282,827)	24,472	(258,355)
Total comprehensive (loss)/income for the financial year	-	(100,669)	-	(114,520)	(215,189)	84,538	(130,651)
Dividends paid	-	-	-	(383,765)	(383,765)	(266,262)	(650,027)
Share option expenses	-	5,133	-	-	5,133	-	5,133
Share option lapsed	-	(628)	-	628	-	-	-
Share repurchased	-	-	(2)	-	(2)	-	(2)
At 30 June 2020	7,038,587	(1,692,576)	(708,261)	7,381,239	12,018,989	23,765	12,042,754

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	12 MONTHS ENDED	
	UNAUDITED 30.6.2021 RM'000	AUDITED 30.6.2020 RM'000
Cash flows from operating activities		
(Loss)/Profit for the financial year	(98,659)	127,704
Adjustment for:		
Allowance for impairment of associates	-	316
Allowance for impairment of intangible assets	1,269	-
Allowance for impairment of inventories	15,975	910
Allowance for impairment of property, plant and equipment	-	2,953
Allowance for impairment of receivables (net of reversals)	22,595	120,559
Amortisation of contract costs	3,043	7,842
Amortisation of deferred income	(5,924)	(5,209)
Amortisation of grants and contributions	(18,487)	(15,166)
Amortisation of intangible assets	76,607	66,689
Bad debts recovered	(733)	(1,879)
Depreciation of property, plant and equipment	1,089,809	973,596
Depreciation of right-of-use assets	123,168	127,036
Fair value gain on derivatives	-	(3,357)
Fair value loss/(gain) on investments	7,511	(21,011)
Fair value (gain)/loss on investment properties	(83,050)	5,606
Interest expense	952,293	1,083,661
Interest income	(13,531)	(12,980)
Net gain on disposal of property, plant and equipment	(35,691)	(8,442)
Net gain on disposal of investments	(25)	-
Property, plant and equipment written off	2,821	7,463
Provision for post-employment benefit	59,984	63,277
Share of profits of investments accounted for using the equity method	(365,996)	(454,216)
Share option expenses	3,454	5,010
Taxation	735,116	297,487
Unrealised (gain)/loss on foreign exchange	(11,093)	3,267
Write back of liabilities and charges	(7,304)	(4,437)
	-----	-----
	2,453,152	2,366,679
Changes in working capital:		
Inventories	(41,340)	154,486
Receivables, deposits and prepayments	(795,447)	14,568
Payables and accrued expenses	564,225	(158,034)
	-----	-----
Cash flows from operations	2,180,590	2,377,699
Interest paid	(719,416)	(958,969)
Payment for provision and liabilities	(1,977)	(7,093)
Payment to post-employment benefit obligations	(119,115)	(126,853)
Tax paid	(65,818)	(162,998)
	-----	-----
Net cash flows from operating activities	1,274,264	1,121,786
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 - Continued**

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	30.6.2021	30.6.2020
	RM'000	RM'000
Cash flows from investing activities		
Additional investments accounted for using the equity method	-	(316)
Development expenditure incurred on investment properties	(8,056)	(51,400)
Dividends received	394,182	406,472
Grants received	54,283	49,342
Interest received	5,885	12,479
Net decrease/(increase) in deposits maturing more than 90 days	544,576	(519,204)
Net purchase of investments	(530)	-
(Placements)/Maturities of income funds	(301,958)	176,000
Prepayment for land acquisition	(11,845)	(3,867)
Proceeds from disposal of property, plant and equipment	67,146	12,106
Purchase of intangible assets	(31,108)	(173,920)
Purchase of property, plant and equipment	(1,693,131)	(1,330,998)
Shareholder loan	(80,808)	(94,651)
	-----	-----
Net cash flows used in investing activities	(1,061,364)	(1,517,957)
	-----	-----
Cash flows from financing activities		
Dividend paid	(162,043)	(383,765)
Dividends paid to non-controlling interests	(153,415)	(266,262)
Proceeds from borrowings	2,551,595	1,686,220
Repayment of borrowings	(963,795)	(1,189,880)
Repayment of lease liabilities	(158,972)	(174,387)
Repurchase of own shares	(38,047)	(2)
	-----	-----
Net cash flows from/(used in) financing activities	1,075,323	(328,076)
	-----	-----
Net changes in cash and cash equivalents	1,288,223	(724,247)
Effects of exchange rate changes	366,978	108,115
Cash and cash equivalents at beginning of the financial year	6,923,559	7,539,691
	-----	-----
Cash and cash equivalents at end of the financial year <i>[Note a]</i>	8,578,760	6,923,559
	=====	=====
<i>[Note a]</i>		
Cash and cash equivalents at the end of the financial year comprise:		
	RM'000	RM'000
Fixed deposits	7,415,168	6,952,762
Cash and bank balances	1,189,643	531,963
Deposits with maturity 90 days and more	-	(516,019)
Bank overdrafts	(26,051)	(45,147)
(included within short term borrowing in Note B9)		
	-----	-----
	8,578,760	6,923,559
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2020.

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 2020.

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 2020.

The amendments to MFRSs which were effective for financial year beginning on or after 1 July 2020 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 factor.

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INTERIM FINANCIAL REPORT

Notes – continued

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Power generation (Contracted)				
- Sale of electricity	62,667	84,604	261,146	633,435
Multi utilities business (Merchant)				
- Sale of electricity	1,536,335	1,113,916	5,615,711	5,204,805
- Sale of steam	50,342	35,118	182,630	171,900
- Others	69,389	63,399	216,146	389,427
	<u>1,656,066</u>	<u>1,212,433</u>	<u>6,014,487</u>	<u>5,766,132</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	1,054,664	855,865	3,773,956	3,483,523
Telecommunications business				
- Sale of devices	95,436	4,316	145,615	9,227
- Telecommunications services	76,010	97,054	339,575	398,404
- Telecommunications infrastructure business	17,886	11,284	58,340	50,802
	<u>189,332</u>	<u>112,654</u>	<u>543,530</u>	<u>458,433</u>
Investment holding activities				
- Investment income	20,483	13,920	77,914	153,402
- Management, operation and maintenance fees	14,346	7,543	62,092	91,598
- Others	29,345	4,551	49,637	50,654
	<u>64,174</u>	<u>26,014</u>	<u>189,643</u>	<u>295,654</u>
	<u>3,026,903</u>	<u>2,291,570</u>	<u>10,782,762</u>	<u>10,637,177</u>

A4. Unusual Items

For the current financial year to date, there was no item of unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A5. Changes in Estimates of Amounts Reported

There was no significant change to estimate of amount reported in prior interim periods or prior financial years.

INTERIM FINANCIAL REPORT

Notes – continued

A6. Changes in Debt and Equity Securities

There were no shares issued pursuant to the exercise of options granted under the Company's Employees Share Option Scheme during the current financial year to date. The Employees Share Option Scheme expired on 31 March 2021.

During the current financial year to date, the Company repurchased 52,829,800 ordinary shares from the open market for a total consideration of RM38,046,502. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares.

A total of 479,687,081 treasury shares were distributed on 12 November 2020 to the shareholders on the basis of one (1) treasury share for every sixteen (16) ordinary shares held as at 28 October 2020 for the current financial year to date. As at 30 June 2021, the number of treasury shares held was 56,051,431 ordinary shares.

On 5 January 2021, a subsidiary of the Company issued a 15-year Guaranteed Fixed Rate Bond of RM1,667.1 million (GBP300.0 million) with an ultralow annual interest rate of 1.25%. The proceeds of the issuance will be utilised to repay an existing RM1,667.1 million (GBP300.0 million) bond which matures in September 2021, with an annual interest rate of 4.0%.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

The following dividend payment was made during the financial year ended 30 June 2021: -

	<u>RM'000</u>
In respect of the financial year ended 30 June 2021:	
An interim dividend of 2 sen per ordinary share paid on 29 June 2021	<u>162,043</u>

A8. Segment Information

The Group has five reportable segments as described below:

- a) Power generation (Contracted)
- b) Multi utilities business (Merchant)
- c) Water and sewerage
- d) Telecommunications business
- e) Investment holding activities

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

INTERIM FINANCIAL REPORT

Notes – continued

Segment information for the financial year ended 30 June 2021:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Telecom- munications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	261,146	6,014,487	3,773,956	544,609	216,782	10,810,980
Inter-segment elimination	-	-	-	(1,079)	(27,139)	(28,218)
External Revenue	<u>261,146</u>	<u>6,014,487</u>	<u>3,773,956</u>	<u>543,530</u>	<u>189,643</u>	<u>10,782,762</u>
Segment profit/(loss) before tax	<u>35,238</u>	<u>275,253</u>	<u>493,811</u>	<u>(190,546)</u>	<u>22,701</u>	<u>636,457</u>
Finance costs						952,293
Depreciation and amortisation						1,268,216
EBITDA*						<u><u>2,856,966</u></u>

*Included is a fair value gain of RM75.5 million and allowance for impairment of RM39.8 million.

Segment information for the financial year ended 30 June 2020:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Telecom- munications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	633,435	5,766,132	3,483,523	459,754	352,834	10,695,678
Inter-segment elimination	-	-	-	(1,321)	(57,180)	(58,501)
External Revenue	<u>633,435</u>	<u>5,766,132</u>	<u>3,483,523</u>	<u>458,433</u>	<u>295,654</u>	<u>10,637,177</u>
Segment profit/(loss) before tax	<u>57,657</u>	<u>(172,359)</u>	<u>610,109</u>	<u>(264,772)</u>	<u>194,556</u>	<u>425,191</u>
Finance costs						1,083,661
Depreciation and amortisation						1,154,788
EBITDA*						<u><u>2,663,640</u></u>

*Included is a fair value gain of RM18.8 million and allowance for impairment of RM124.7 million.

A9. Events After the Interim Period

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to the date of this report.

INTERIM FINANCIAL REPORT

Notes – continued

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial year ended 30 June 2021, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 10 September 2020, P.T. YTL Harta Indonesia (“YTL Harta Indonesia”) was incorporated by YTL Jawa O & M Holdings B.V. and P.T. YTL Jawa Timur, indirect subsidiaries of the Company at the shareholdings of 95% and 5% respectively. As a result, YTL Harta Indonesia became an indirect subsidiary of the Company.

YTL Harta Indonesia was incorporated in Indonesia with an issued share capital of Rp2,500,000,000 comprising 2,500 ordinary shares to undertake industrial estate business activities.

- (ii) On 27 November 2020, Dials At Brabazon Management Company Limited (“Dials At Brabazon”) and Navigator At Brabazon Management Company Limited (“Navigator At Brabazon”) were incorporated as wholly-owned subsidiaries of YTL Homes Limited, an indirect wholly-owned subsidiary of the Company. As a result, Dials At Brabazon and Navigator At Brabazon became indirect wholly-owned subsidiaries of the Company.

Dials At Brabazon and Navigator At Brabazon were incorporated in England and Wales as a company limited by guarantee without share capital and will be principally involved in the management of real estate.

- (iii) On 23 March 2021, YTL Arena (Filton) Limited (“YTL Arena (Filton)”) was incorporated as a wholly-owned subsidiary of YTL Land and Property (UK) Ltd (“YTL Land and Property”), an indirect wholly-owned subsidiary of the Company. As a result, YTL Arena (Filton) became an indirect wholly-owned subsidiary of the Company.

YTL Arena (Filton) was incorporated in England and Wales with an issued share capital of USD382.50 comprising 510 ordinary shares of USD0.75 each and is principally involved in the activities of a holding company.

- (iv) On 24 March 2021, YTL Arena Limited (“YTL Arena”) was incorporated as a wholly-owned subsidiary of YTL Arena (Filton). As a result, YTL Arena became an indirect wholly-owned subsidiary of the Company.

YTL Arena was incorporated in England and Wales with an issued share capital of GBP100.00 comprising 100 ordinary shares of GBP1.00 each and will be principally involved in the development of building projects.

INTERIM FINANCIAL REPORT

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- (v) On 3 April 2021, YTL Arena Holdings Limited (“YTL Arena Holdings”) was incorporated as a wholly-owned subsidiary of YTL Land and Property. As a result, YTL Arena Holdings became an indirect wholly-owned subsidiary of the Company.

YTL Arena Holdings was incorporated in England and Wales with an issued share capital of GBP510.00 comprising 510 ordinary shares of GBP1.00 each and is principally involved in the activities of a holding company.

- (vi) On 8 April 2021, Wessex Water Limited (“Wessex Water”), an indirect wholly-owned subsidiary of the Company, acquired the remaining 49% equity interest, comprising 49 A ordinary shares of GBP0.01 each in Albion Water Limited (“Albion Water”), at a purchase price of GBP1.00. As a result, Albion Water became a wholly-owned subsidiary of Wessex Water and indirect wholly-owned subsidiary of the Company.

- (vii) On 15 April 2021, YTL Arena (Filton) disposed its 100 ordinary shares of GBP1.00 each in YTL Arena to YTL Arena Holdings. As a result, YTL Arena was re-organised to be a wholly-owned subsidiary of YTL Arena Holdings and remain an indirect wholly-owned subsidiary of the Company.

- (viii) Wessex Engineering & Construction Services Limited changed its name to Turnbull Infrastructure & Utilities Limited on 29 April 2021.

- (ix) On 4 May 2021, Global Infrastructure Assets Sdn. Bhd. (“Global Infrastructure Assets”) increased its share capital from RM1.00 to RM1,000,000.00 via an issuance of additional 999,999 ordinary shares. YTL Infrastructure Holdings Sdn. Bhd. (“YTL Infrastructure Holdings”) and Serbanika Infrastructure Holdings Sdn. Bhd. subscribed for 699,999 ordinary shares and 300,000 ordinary shares respectively in Global Infrastructure Assets, at an issue price of RM1.00 per share in cash.

As a result, Global Infrastructure Assets was re-organised to be a 70%-owned subsidiary of YTL Infrastructure Holdings and remain an indirect subsidiary of the Company.

- (x) On 7 May 2021, YTL Digital Capital Sdn. Bhd. (“YTL Digital Capital”) was incorporated as a wholly-owned subsidiary of the Company.

YTL Digital Capital was incorporated with an issued share capital of RM1.00 comprising 1 ordinary share. YTL Digital Capital will be principally involved in investment holding.

A11. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2020.

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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 price (unadjusted) in active market for identical assets or liabilities;
- b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- c) Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30.6.2021				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	42	-	42
- Income funds	-	1,752,455	-	1,752,455
- Equity investments	-	6,469	-	6,469
Financial assets at fair value through other comprehensive income				
Derivatives used for hedging	43,134	45	162,045	205,224
Total assets	43,134	2,049,149	162,045	2,254,328
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	39	-	39
Derivatives used for hedging	-	34,748	-	34,748
Total liabilities	-	34,787	-	34,787

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**

B1. Review of the Results

The comparison of the results is tabulated below:

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	30.6.2021 RM'000	30.6.2020 RM'000		30.6.2021 RM'000	30.6.2020 RM'000	
Revenue						
Power generation (Contracted)	62,667	84,604	-25.9%	261,146	633,435	-58.8%
Multi utilities business (Merchant)	1,656,066	1,212,433	+36.6%	6,014,487	5,766,132	+4.3%
Water & sewerage	1,054,664	855,865	+23.2%	3,773,956	3,483,523	+8.3%
Telecommunications business	189,332	112,654	+68.1%	543,530	458,433	+18.6%
Investment holding activities	64,174	26,014	>100.0%	189,643	295,654	-35.9%
	<u>3,026,903</u>	<u>2,291,570</u>	+32.1%	<u>10,782,762</u>	<u>10,637,177</u>	+1.4%
Profit/(Loss) before taxation						
Power generation (Contracted)	13,320	14,135	-5.8%	35,238	57,657	-38.9%
Multi utilities business (Merchant)	27,094	(17,145)	>100.0%	275,253	(172,359)	>100.0%
Water & sewerage	90,798	73,355	+23.8%	493,811	610,109	-19.1%
Telecommunications business	(17,925)	(44,599)	+59.8%	(190,546)	(264,772)	+28.0%
Investment holding activities	39,159	73,657	-46.8%	22,701	194,556	-88.3%
	<u>152,446</u>	<u>99,403</u>	+53.4%	<u>636,457</u>	<u>425,191</u>	+49.7%

INTERIM FINANCIAL REPORT

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a) Current Quarter vs Preceding Year Corresponding Quarter

The Group profit before taxation for the current financial quarter improved by RM53.0 million or 53.4% to RM152.4 million as compared to RM99.4 million recorded in the preceding year corresponding quarter.

The Group recorded higher revenue of RM3,026.9 million for the current financial quarter ended 30 June 2021, an increase of RM735.3 million or 32.1% as compared to RM2,291.6 million recorded in the preceding year corresponding quarter ended 30 June 2020.

Performance of the respective operating business segments for the quarter ended 30 June 2021 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)

Profit before taxation was consistent with the comparative quarter.

The lower revenue was mainly due to the lower energy payment recorded while the capacity charge remains the same.

Multi utilities business (Merchant)

The increase in profit before taxation was mainly due to the higher retail margin.

The higher revenue was primarily due to the higher volume of electricity sold and increase in fuel oil price.

Water & sewerage

The increase in profit before taxation was mainly due to the lower allowance for impairment of receivables.

The higher revenue was contributed primarily by growth in the segment's unregulated business.

Telecommunications business

The reduction in loss before taxation and higher revenue was mainly due to growth of the subscriber base resulting from the launch of affordable data plans bolstered by partnerships and collaborations.

Investment holding activities

The lower profit before taxation was mainly due to the contribution to a corporate social responsibility programme and lower share of profits of investments accounted for using the equity method, partially offset by higher fair value gains on investment properties.

The increase in revenue was primarily due to the income generated from the Brabazon project.

b) Current Year to date vs Preceding Year to date

The Group profit before taxation for the current financial year improved by RM211.3 million or 49.7% to RM636.5 million as compared to RM425.2 million recorded in the preceding year, principally attributable to the better performance in Multi utilities business (Merchant) segment.

The Group recorded higher revenue of RM10,782.8 million for the current financial year ended 30 June 2021, a marginal increase as compared to RM10,637.2 million recorded in the preceding financial year ended 30 June 2020.

INTERIM FINANCIAL REPORT

Notes – continued

Performance of the respective operating business segments for the year ended 30 June 2021 as compared to the preceding year was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Power generation (Contracted)

The lower profit before taxation was mainly due to a one-off write-down of inventories. The lower revenue was mainly due to the lower energy payment recorded while the capacity charge remains the same.

Multi utilities business (Merchant)

The increase in profit before taxation was mainly due to the higher retail margin, higher fuel oil tank leasing rates, lower finance costs and a recovery of impairment of receivables arising from a successful appeal against a High Court decision.

The higher revenue was primarily due to the higher volume of electricity sold and increase in fuel oil price.

Water & sewerage

The lower profit before taxation was mainly due to the price reset as determined by regulator. The higher revenue was contributed primarily by growth in the segment's unregulated business.

Investment holding activities

The lower profit before taxation was mainly due to the contribution to a corporate social responsibility programme and lower share of profits of investments accounted for using the equity method, partially offset by higher fair value gains on investment properties.

The lower revenue was primarily due to lower interest income.

B2. Comparison with Preceding Quarter

	Current Quarter 30.6.2021 RM'000	Preceding Quarter 31.3.2021 RM'000	Variance % +/-
Revenue	3,026,903	2,636,477	+14.8%
Consolidated profit before taxation	152,446	168,574	-9.6%
Consolidated (loss)/profit after taxation	(462,210)	129,679	->100.0%

The increase in revenue as compared to the preceding quarter was primarily attributable to the better performance in the Multi utilities business (Merchant) and Water & sewerage segments. The loss after taxation in the current quarter was due to the recognition of deferred tax expenses arising from the increase in UK Corporation Tax rate from 19% to 25% due to take effect from 1 April 2023 as disclosed in Note B7.

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Notes – continued

B3. Prospects

Globally, businesses are facing unprecedented social and economic challenges following the outbreak of the global Covid-19 pandemic. Countries where the Group operates have implemented various movement control regulations and laws and limited the operation of non-essential services. However, the Group's businesses have largely not been affected as being utility in nature, are essential services that have continued to operate throughout the current control period.

Power generation (Contracted)

The Group has an 80% equity interest in PT Tanjung Jati Power Company ("TJPC"), an independent power producer which is undertaking the development of Tanjung Jati A, a 2 x 660 megawatt coal-fired power project in Java, Indonesia. TJPC has a 30-year power purchase agreement with PT PLN (Persero), Indonesia's state-owned electric utility company, amended and restated in December 2015 and March 2018. In February 2020, TJPC obtained the Business Viability Guarantee Letter from the Ministry of Finance of the Republic of Indonesia and is working towards achieving financial close.

The Group also has a 45% equity interest in Attarat Power Company ("APCO"), which is developing a 554 megawatt (gross) oil shale fired power generation project in the Hashemite Kingdom of Jordan. 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 of the project's second unit). Construction has commenced on the project with commercial operations for the first unit scheduled to commence in the middle of the calendar year 2020 and the second unit in the last quarter of the calendar year 2020. However, the global Covid-19 pandemic has led to a delay in the project due to travel and movement restrictions imposed by the Government of Jordan with commercial operations for both units now expected to be in the latter part of the second half of the calendar year 2021. APCO has invoked the force majeure provisions under the Power Purchase Agreement with NEPCO. As the effects of Covid-19 are still on-going, the force majeure provisions are still in effect.

YTL Power Generation Sdn. Bhd. ("YTLPG") commenced operations on 1 September 2017 for the supply of 585MW of capacity from the existing facility in Paka for a term of 3 years 10 months, which was successfully completed on 30 June 2021.

Multi utilities business (Merchant)

As power generation is an essential service, electricity demand is expected to remain stable despite the continuous control measures implemented by the Singapore government to curb the Covid-19 pandemic.

The proposed acquisition of Tuaspring announced on 12 March 2020 which is currently pending completion 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, will, upon completion, be integrated into existing businesses and expected to contribute positively to the future earnings of the Group. The proposed acquisition was approved by the Energy Market Authority of Singapore (EMA) in May 2020; completion is now conditional on the approval from the Public Utilities Board of Singapore and completion of financing.

INTERIM FINANCIAL REPORT

Notes – continued

This segment will continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

Water & sewerage

Wessex Water enters the second 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, 31 March 2025, Wessex Water will have delivered RM7.5 billion (GBP1.3 billion) of capital investment with a resulting RAB value in excess of RM22.4 billion (GBP3.9 billion). Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

Telecommunications business

With the existing network in place, this segment will continue to expand its telecommunications infrastructure business and subscriber base. In August 2020, Jalinan Digital Negara (“JENDELA”), a plan to upgrade Malaysia’s digital communications infrastructure formulated by the Government and the Malaysian Communications and Multimedia Commission, was launched. Initial phases of the plan focus on expanding 4G mobile broadband coverage and increasing broadband speeds, with the aim of shutting down 3G by the end of 2021. As such, YTL Communications’ pure-4G YES network is well positioned to continue to attract subscribers and meet the country’s digital infrastructure needs.

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 free YES SIM cards with 40GB of data to students registered in government schools and partner tertiary education institutions and also provided free mobile phones and YES data plans to students from B40 families. Online learning resources and lessons were also provided by FrogAsia to facilitate learning from home.

On 5 May 2021, the Government of Malaysia launched the Jaringan Prihatin programme under which the Government is providing subsidies of RM300 to B40 households and RM180 to B40 individuals for device and data plans offered by participating service providers. As this is a natural extension of the Learn From Home Initiative, YTL Communications has collaborated with YTL Foundation to offer free smartphones and 12 month data plans to the households and individuals who qualify to receive the Jaringan Prihatin subsidies. The Jaringan Prihatin programme was originally due to end on 31 July 2021 but has been extended by the Government to 30 September 2021.

YTL Communications’ YES Kasi Up programme which was launched in December 2020, offers the most affordable data plans in the market. The programme includes a referral scheme that gives cash rewards to subscribers for being referral ambassadors for YES. The on-going partnership with Shopee, the country’s largest e-commerce platform, rewards Shopee customers who are YES subscribers with free data for money spent on Shopee, making data even more affordable and accessible. By offering affordable data plans and bringing in new partners, this segment has increased its subscriber base significantly.

The Group expects the performance of its business segments to remain resilient due to the essential nature of its operations, and will continue to closely monitor the related risks and impact on all business segments.

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B4. Variance of Actual Profit from Financial Estimate, Forecast, Projection or Profit Guarantee

The Group did not issue any financial estimate, forecast, projection or profit guarantee during the current financial year to date.

B5. Audit Report of the preceding financial year ended 30 June 2020

The Auditors' Report on the financial statements of the financial year ended 30 June 2020 did not contain any qualification.

B6. (Loss)/Profit for the period/year

	Current Quarter 30.6.2021 RM'000	Current Year To Date 30.6.2021 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of intangible assets	1,269	1,269
Allowance for impairment of inventories	711	15,975
Allowance for impairment of receivables (net of reversals)	29,538	22,595
Amortisation of contract costs	541	3,043
Amortisation of deferred income	(1,811)	(5,924)
Amortisation of grants and contributions	(5,534)	(18,487)
Amortisation of intangible assets	24,725	76,607
Bad debts written off/(recovered)	806	(733)
Depreciation of property, plant and equipment	306,685	1,089,809
Depreciation of right-of-use assets	27,403	123,168
Fair value (gain)/loss on investments	(10,392)	7,511
Fair value gain on investment properties	(83,050)	(83,050)
Gain on foreign exchange	(529)	(9,937)
Interest expense	241,863	952,293
Interest income	(826)	(13,531)
Net gain on disposal of property, plant and equipment	(30,481)	(35,691)
Net gain on disposal of investments	(25)	(25)
Property, plant and equipment written off	834	2,821
Write back of liabilities and charges	(3,798)	(7,304)
	=====	=====

There was no exceptional items charged/(credited) for the period/year.

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B7. Taxation

	Current Quarter 30.6.2021 RM'000	Current Year To Date 30.6.2021 RM'000
In respect of current period/year		
- Income Tax	5,782	102,071
- Deferred Tax	608,874	633,045
	<u>614,656</u>	<u>735,116</u>

The UK Corporation Tax rate is due to increase from 19% to 25% with effect from 1 April 2023, resulting in a higher effective tax rate for the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year. Consequently, the deferred tax balances as at 30 June 2021 were re-measured at that date which resulted in a debit to the income statement of RM540.5 million.

B8. Corporate Proposals

There were no corporate proposals announced by the Company which are not completed as at the date of this report save for the following:

- On 12 March 2020, the Company and Taser Power Pte. Ltd., entered into a put and call option agreement with Tuaspring Pte. Ltd. (“Tuaspring”) for the proposed acquisition of the power plant and associated assets of Tuaspring by YTL PowerSeraya Pte. Limited, from the receivers and managers of Tuaspring, for a total purchase consideration of SGD331,452,000 to be settled as to SGD230,000,000 in cash and SGD101,452,000 comprising ordinary shares and loan notes amounting to 7.54% of the post-acquisition equity in YTL Utilities (S) Pte. Limited, the immediate holding company of YTL PowerSeraya Pte. Limited (“Proposed Acquisition”).

Approval for the Proposed Acquisition from the Energy Market Authority of Singapore was received on 20 May 2020. Completion is now conditional inter alia on approval of the Public Utilities Board of Singapore and completion of financing arrangements which are currently pending.

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B9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdrafts	-	26,051	26,051
Bonds	-	2,496,924	2,496,924
Revolving credit	-	405,208	405,208
Term loans	-	1,558,873	1,558,873
	-	<u>4,487,056</u>	<u>4,487,056</u>
Non- current			
Bonds	-	16,281,223	16,281,223
Revolving credit	-	599,821	599,821
Term loans	-	8,987,877	8,987,877
	-	<u>25,868,921</u>	<u>25,868,921</u>
Total borrowings	-	<u>30,355,977</u>	<u>30,355,977</u>

The borrowings which are denominated in foreign currency are as follows:

	Foreign currency '000	RM Equivalents '000
US Dollar	<u>447,876</u>	<u>1,860,611</u>
Sterling Pound	<u>2,749,160</u>	<u>15,820,591</u>
Singapore Dollar	<u>1,943,741</u>	<u>6,006,548</u>

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,135.4 million, for which the Company has provided corporate guarantees to the financial institutions.

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B10. Derivative Financial Instruments and Fair Value Changes of Financial Liabilities

(a) Derivative Financial Instruments

As at 30 June 2021, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil Swaps</u>		
- Less than 1 year	1,161,494	250,582
- 1 year to 3 years	165,971	25,064
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,371,298	(20,936)
- 1 year to 3 years	228,301	683
- More than 3 years	-	-

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas 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.

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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(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial year ended 30 June 2021 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain	Fair value gain	
			Current quarter 30.6.2021 RM'000	Current year to date 30.6.2021 RM'000
Forward foreign currency exchange contracts	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 in favour of the Group	9	48
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of the Group	1,405	4,667
Total			1,414	4,715

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Notes – continued

B11. Material Litigation

There were no material litigations since the date of the last audited financial statements of financial position.

B12. Dividend

The Board of Directors (“Board”) is pleased to declare a second interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2021.

The book closure and payment dates in respect of the aforesaid dividend are 24 September 2021 and 12 October 2021, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2021 (2020: nil).

B13. (Loss)/Earnings Per Share

• **Basic and Diluted (Loss)/Earnings Per Share**

The basic and diluted (loss)/earnings per share of the Group has been computed by dividing the (loss)/profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the financial quarter and financial year to date as set out below:

	Individual Quarter		Cumulative Quarter	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
(Loss)/Profit attributable to Owners of the Parent (RM'000)	<u>(486,695)</u>	<u>(140,778)</u>	<u>(143,065)</u>	<u>67,638</u>
Weighted average number of ordinary shares ('000)	<u>8,102,157</u>	<u>7,675,300</u>	<u>7,949,798</u>	<u>7,675,301</u>
Basic/Diluted (loss)/earnings per share (Sen)	<u>(6.01)</u>	<u>(1.83)</u>	<u>(1.80)</u>	<u>0.88</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 8 September 2021