

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

Interim Financial Report
30 September 2021

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

Interim Financial Report
30 September 2021

	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 24

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 30 September 2021.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2020 RM'000	3 MONTHS ENDED	
			30.9.2021 RM'000	30.9.2020 RM'000
Revenue	3,513,471	2,502,830	3,513,471	2,502,830
Cost of sales	(3,083,177)	(2,145,150)	(3,083,177)	(2,145,150)
Gross profit	430,294	357,680	430,294	357,680
Other operating income	16,097	21,247	16,097	21,247
Other operating expenses	(193,407)	(118,496)	(193,407)	(118,496)
Profit from operations	252,984	260,431	252,984	260,431
Finance costs	(240,088)	(239,101)	(240,088)	(239,101)
Share of profits of investments accounted for using the equity method	87,453	87,527	87,453	87,527
Profit before taxation	100,349	108,857	100,349	108,857
Taxation	(49,017)	(30,981)	(49,017)	(30,981)
Profit for the period	51,332	77,876	51,332	77,876
Attributable to:				
Owners of the parent	35,395	76,883	35,395	76,883
Non-controlling interests	15,937	993	15,937	993
	51,332	77,876	51,332	77,876
Earnings per share attributable to owners of the parent				
Basic/Diluted (sen)	0.44	1.00	0.44	1.00

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2020 RM'000	3 MONTHS ENDED 30.9.2021 RM'000	
Profit for the period	51,332	77,876	51,332	77,876
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	1,779	(13,760)	1,779	(13,760)
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- Subsidiaries	(12,954)	34,834	(12,954)	34,834
Currency translation differences:				
- Subsidiaries	(183,004)	4,206	(183,004)	4,206
- Associates and joint ventures	(7,264)	(48,061)	(7,264)	(48,061)
Other comprehensive loss for the period, net of tax	(201,443)	(22,781)	(201,443)	(22,781)
Total comprehensive (loss)/income for the period	(150,111)	55,095	(150,111)	55,095
Attributable to:				
Owners of the parent	(170,635)	73,405	(170,635)	73,405
Non-controlling interests	20,524	(18,310)	20,524	(18,310)
	(150,111)	55,095	(150,111)	55,095

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 statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	30.9.2021	30.6.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,842,212	24,200,911
Investment properties	621,818	635,004
Project development costs	271,991	259,744
Intangible assets	8,629,891	8,674,529
Right-of-use assets	465,827	491,388
Investments accounted for using the equity method	2,215,817	2,212,256
Investments	209,885	209,823
Derivative financial instruments	28,971	26,461
Receivables, deposits and prepayments	1,679,285	1,506,914
	-----	-----
	37,965,697	38,217,030
	-----	-----
Current assets		
Inventories	351,432	351,217
Investments	1,730,620	1,752,455
Receivables, deposits and prepayments	2,959,681	2,897,282
Derivative financial instruments	273,341	263,719
Cash and bank balances	6,408,235	8,592,632
	-----	-----
	11,723,309	13,857,305
	-----	-----
TOTAL ASSETS	49,689,006	52,074,335
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	5,808,419	5,979,055
	-----	-----
Equity attributable to owners of the parent	12,847,006	13,017,642
Non-controlling interests	(120,804)	(110,217)
	-----	-----
TOTAL EQUITY	12,726,202	12,907,425
	-----	-----

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED	AUDITED
	As at	As at
	30.9.2021	30.6.2021
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	2,912,499	2,940,500
Borrowings	26,042,861	25,910,930
Lease liabilities	354,751	355,232
Post-employment benefit obligations	372,570	459,811
Grants and contributions	658,314	661,614
Derivative financial instruments	1,398	713
Payables	1,521,695	1,505,734
	-----	-----
	31,864,088	31,834,534
	-----	-----
Current liabilities		
Payables and accrued expenses	2,572,475	2,685,539
Derivative financial instruments	88,434	34,074
Post-employment benefit obligations	1,814	1,324
Taxation	71,628	55,890
Borrowings	2,278,325	4,445,047
Lease liabilities	86,040	110,502
	-----	-----
	5,098,716	7,332,376
	-----	-----
TOTAL LIABILITIES	36,962,804	39,166,910
	-----	-----
TOTAL EQUITY AND LIABILITIES	49,689,006	52,074,335
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.59	1.61
	=====	=====

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 2021	7,038,587	(739,558)	(46,732)	6,765,345	13,017,642	(110,217)	12,907,425
Profit for the financial period	-	-	-	35,395	35,395	15,937	51,332
Other comprehensive (loss)/income for the financial period	-	(206,030)	-	-	(206,030)	4,587	(201,443)
Total comprehensive (loss)/income for the financial period	-	(206,030)	-	35,395	(170,635)	20,524	(150,111)
Dividends paid to non-controlling interests	-	-	-	-	-	(31,111)	(31,111)
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 30 September 2021	<u>7,038,587</u>	<u>(945,588)</u>	<u>(46,733)</u>	<u>6,800,740</u>	<u>12,847,006</u>	<u>(120,804)</u>	<u>12,726,202</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 POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 1 July 2020	7,038,587	(1,692,576)	(708,261)	7,381,239	12,018,989	23,765	12,042,754
Profit for the financial period	-	-	-	76,883	76,883	993	77,876
Other comprehensive loss for the financial period	-	(3,478)	-	-	(3,478)	(19,303)	(22,781)
Total comprehensive (loss)/income for the financial period	-	(3,478)	-	76,883	73,405	(18,310)	55,095
Dividends paid to non-controlling interests	-	-	-	-	-	(34,116)	(34,116)
Share option expenses	-	1,242	-	-	1,242	-	1,242
Share option lapsed	-	(51)	-	51	-	-	-
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 30 September 2020	<u>7,038,587</u>	<u>(1,694,863)</u>	<u>(708,262)</u>	<u>7,458,173</u>	<u>12,093,635</u>	<u>(28,661)</u>	<u>12,064,974</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 POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	3 MONTHS ENDED	
	30.9.2021	30.9.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	51,332	77,876
Adjustment for:		
Allowance for impairment of inventories	439	-
Allowance for impairment of receivables (net of reversals)	29,194	15,621
Amortisation of contract costs	475	2,056
Amortisation of grants and contributions	(3,273)	(5,897)
Amortisation of intangible assets	18,290	16,707
Bad debts recovered	(394)	(629)
Depreciation of property, plant and equipment	278,573	254,919
Depreciation of right-of-use assets	30,426	32,826
Fair value loss/(gain) on investments	10,036	(7,536)
Interest expense	240,088	239,101
Interest income	(1,032)	(1,306)
Net gain on disposal of property, plant and equipment	(6,456)	(2,059)
Property, plant and equipment written off	4,080	1,228
Provision for liabilities and charges	-	648
Provision for post-employment benefit	9,332	11,738
Share of profits of investments accounted for using the equity method	(87,453)	(87,527)
Share option expenses	-	1,217
Taxation	49,017	30,981
Unrealised loss on foreign exchange	3,619	6,947
Other non-cash items	(24)	249
	-----	-----
	626,269	587,160
Changes in working capital:		
Inventories	(4,951)	18,665
Receivables, deposits and prepayments	(187,620)	134,046
Payables and accrued expenses	(27,517)	(27,104)
	-----	-----
Cash flows from operations	406,181	712,767
Interest paid	(214,033)	(210,932)
Payment to post-employment benefit obligations	(92,871)	(82,319)
Tax paid	(4,807)	(10,190)
	-----	-----
Net cash flows from operating activities	94,470	409,326
	-----	-----

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 - Continued

	3 MONTHS ENDED	
	30.9.2021	30.9.2020
	RM'000	RM'000
Cash flows from investing activities		
Development expenditure incurred on investment properties	-	(16,118)
Dividends received	76,628	84,031
Grants received	3,359	2,594
Interest received	1,708	1,189
Net decrease in deposits maturing more than 90 days	-	70,811
Net placement of income funds	-	(406,958)
Prepayment for land acquisition	-	(1,959)
Proceeds from disposal of property, plant and equipment	8,453	4,278
Purchase of intangible assets	(11,248)	(2)
Purchase of property, plant and equipment	(329,399)	(384,354)
Shareholder loan	(138,536)	(23,693)
	-----	-----
Net cash flows used in investing activities	(389,035)	(670,181)
	-----	-----
Cash flows from financing activities		
Dividends paid to non-controlling interests	(31,111)	(34,116)
Proceeds from borrowings	603,791	19,065
Repayment of borrowings	(2,347,904)	(96,396)
Repayment of lease liabilities	(36,016)	(44,753)
Repurchase of own shares	(1)	(1)
	-----	-----
Net cash flows used in financing activities	(1,811,241)	(156,201)
	-----	-----
Net changes in cash and cash equivalents	(2,105,806)	(417,056)
Effects of exchange rate changes	(64,188)	(1,190)
Cash and cash equivalents at beginning of the financial year	8,566,581	6,923,559
	-----	-----
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	6,396,587	6,505,313
	=====	=====

[Note a]

Cash and cash equivalents at the end of the financial period comprise:

	RM'000	RM'000
Fixed deposits	5,109,109	5,833,721
Cash and bank balances	1,299,126	1,125,348
Deposits with maturity 90 days and more	-	(453,756)
Bank overdrafts	(11,648)	-
(included within short term borrowing in Note B9)		
	-----	-----
	6,396,587	6,505,313
	=====	=====

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.

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 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 factor.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

A3. Disaggregation of Revenue

	Individual Quarter		Cumulative Quarter	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Power generation (Contracted)				
- Sale of electricity	-	72,285	-	72,285
Multi utilities business (Merchant)				
- Sale of electricity	1,972,416	1,316,252	1,972,416	1,316,252
- Sale of steam	53,823	45,927	53,823	45,927
- Others	91,375	44,146	91,375	44,146
	<u>2,117,614</u>	<u>1,406,325</u>	<u>2,117,614</u>	<u>1,406,325</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	1,042,423	873,932	1,042,423	873,932
Telecommunications business				
- Sale of devices	140,391	1,524	140,391	1,524
- Telecommunications services	112,532	87,165	112,532	87,165
- Telecommunications infrastructure business	20,694	12,775	20,694	12,775
	<u>273,617</u>	<u>101,464</u>	<u>273,617</u>	<u>101,464</u>
Investment holding activities				
- Investment income	20,854	19,176	20,854	19,176
- Management, operation and maintenance fees	16,126	15,948	16,126	15,948
- Others	42,837	13,700	42,837	13,700
	<u>79,817</u>	<u>48,824</u>	<u>79,817</u>	<u>48,824</u>
	<u>3,513,471</u>	<u>2,502,830</u>	<u>3,513,471</u>	<u>2,502,830</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

A total of 1,000 ordinary shares were repurchased from the open market for a total consideration of RM759 for the current financial quarter. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2021, the number of treasury shares held was 56,052,431 ordinary shares.

4% Guaranteed Unsecured Bonds of a subsidiary of the Company amounting to RM1,733.2 million (GBP300.0 million) was fully repaid during the current financial year to date.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

There was no dividend paid during the current financial quarter.

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

Segment information for the financial period ended 30 September 2021:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Tele- communications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	-	2,117,614	1,042,423	273,725	81,010	3,514,772
Inter-segment elimination	-	-	-	(108)	(1,193)	(1,301)
External Revenue	-	2,117,614	1,042,423	273,617	79,817	3,513,471
Segment (loss)/profit before tax	(5,684)	75,446	130,093	(34,169)	(65,337)	100,349
Finance costs						240,088
Depreciation and amortisation						324,491
EBITDA*						664,928

*Included is a fair value loss of RM10.0 million and allowance for impairment of RM29.6 million.

Segment information for the financial period ended 30 September 2020:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Tele- communications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	72,285	1,406,325	873,932	102,202	60,967	2,515,711
Inter-segment elimination	-	-	-	(738)	(12,143)	(12,881)
External Revenue	72,285	1,406,325	873,932	101,464	48,824	2,502,830
Segment (loss)/profit before tax	(1,762)	36,119	131,148	(69,559)	12,911	108,857
Finance costs						239,101
Depreciation and amortisation						300,611
EBITDA*						648,569

*Included is a fair value gain of RM7.5 million, allowance for impairment of RM15.6 million and inventories written down of RM15.7 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 period ended 30 September 2021, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) Extiva Communications 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 members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016 on 17 August 2021.

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 2021.

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
30.9.2021				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	18,064	-	18,064
- Income funds	-	1,730,620	-	1,730,620
- Equity investments	-	4,752	-	4,752
Financial assets at fair value through other comprehensive income	44,912	46	160,175	205,133
Derivatives used for hedging	-	284,248	-	284,248
Total assets	44,912	2,037,730	160,175	2,242,817
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	17,484	-	17,484
Derivatives used for hedging	-	72,348	-	72,348
Total liabilities	-	89,832	-	89,832

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

INTERIM FINANCIAL REPORT

**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 %
	30.9.2021 RM'000	30.9.2020 RM'000		30.9.2021 RM'000	30.9.2020 RM'000	
Revenue						
Power generation (Contracted)	-	72,285	-100.0%	-	72,285	-100.0%
Multi utilities business (Merchant)	2,117,614	1,406,325	+50.6%	2,117,614	1,406,325	+50.6%
Water & sewerage	1,042,423	873,932	+19.3%	1,042,423	873,932	+19.3%
Telecommunications business	273,617	101,464	>100.0%	273,617	101,464	>100.0%
Investment holding activities	79,817	48,824	+63.5%	79,817	48,824	+63.5%
	<u>3,513,471</u>	<u>2,502,830</u>	+40.4%	<u>3,513,471</u>	<u>2,502,830</u>	+40.4%
Profit/(Loss) before taxation						
Power generation (Contracted)	(5,684)	(1,762)	->100.0%	(5,684)	(1,762)	->100.0%
Multi utilities business (Merchant)	75,446	36,119	>100.0%	75,446	36,119	>100.0%
Water & sewerage	130,093	131,148	-0.8%	130,093	131,148	-0.8%
Telecommunications business	(34,169)	(69,559)	+50.9%	(34,169)	(69,559)	+50.9%
Investment holding activities	(65,337)	12,911	->100.0%	(65,337)	12,911	->100.0%
	<u>100,349</u>	<u>108,857</u>	-7.8%	<u>100,349</u>	<u>108,857</u>	-7.8%

INTERIM FINANCIAL REPORT

Notes – continued

Current Quarter vs Preceding Year Corresponding Quarter

The Group profit before taxation for the current financial quarter decreased by RM8.5 million or 7.8% to RM100.3 million as compared to RM108.9 million recorded in the preceding year corresponding quarter.

The Group recorded higher revenue of RM3,513.5 million for the current financial quarter ended 30 September 2021, an increase of RM1,010.6 million or 40.4% as compared to RM2,502.8 million recorded in the preceding year corresponding quarter.

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

Power generation (Contracted)

The absence of revenue and higher loss before taxation was due to the expiry of the power purchase agreement for the Paka Power Station on 30 June 2021.

Multi utilities business (Merchant)

The increase in profit before taxation was mainly due to the higher vesting gross margin and pool gains.

The higher revenue was primarily due to the increase in fuel oil price.

Water & sewerage

Profit before taxation approximated that of the previous corresponding quarter due mainly to higher operating costs associated with the increase in revenue.

The higher revenue was contributed primarily due to differing weather conditions leading to changes in supply volume, improvement in non-household retail market and the strengthening of Great Britain Pound against Ringgit Malaysia.

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 loss before taxation was mainly due to the contribution to a corporate social responsibility programme and fair value loss on investments.

The increase in revenue was primarily due to the sales recorded from the Brabazon project.

INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2021 RM'000	Preceding Quarter 30.6.2021 RM'000	Variance % +/-
Revenue	3,513,471	3,028,871	+16.0%
Consolidated profit before taxation	100,349	149,777	-33.0%
Consolidated profit/(loss) after taxation	51,332	(466,679)	>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) segment. The lower profit before taxation was primarily attributable to the recognition of fair value gains on investment properties in the preceding quarter. The loss after taxation in the preceding 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.

B3. Prospects

Globally, businesses have faced unprecedented social and economic challenges since the outbreak of the global COVID-19 pandemic. Countries where the Group operates implemented various movement control regulations and laws and limited the operation of non-essential services. During 2021, many of these jurisdictions progressed well with vaccine roll-out programmes and are nearing or have achieved the high vaccination levels seen as necessary to bring the pandemic under control and return to normalcy. Although the outlook in terms of pandemic-containment is still uncertain, with the emergence of new variants an ongoing concern, the Group's businesses, which have largely not been affected by the various controls to date, are expected to continue to operate as usual, as being utility in nature they provide essential services.

Power generation (Contracted)

The Group entered into an agreement to acquire the Kulai Young Estate in Johor in September 2021 and intends to develop 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.

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 (as amended and restated) with PT PLN (Persero), Indonesia's state-owned electric utility company. 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.

INTERIM FINANCIAL REPORT

Notes – continued

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). Commercial operations for the first unit are 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 Unit 1 and Unit 2 now expected to be in the latter part of the first and second quarter of the calendar year 2022 respectively. APCO has invoked the force majeure provisions under the Power Purchase Agreement with NEPCO.

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 process held 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 Singapore’s Electricity Import Framework during this two-year trial.

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 EMA in May 2020; completion is now conditional on the approval from the Public Utilities Board of Singapore and completion of financing.

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. 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 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 period on 31 March 2025, Wessex Water will have delivered RM7.3 billion (GBP1.3 billion) of capital investment with a resulting RAB value in excess of RM22.0 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

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, thereby ensuring students have devices and access to sufficient data for online learning. Online learning resources and lessons were also provided by FrogAsia to facilitate learning from home. The data plans provided under the initiative have been extended to 31 August 2022 to help ease the transition back to physical classes as schools have adopted hybrid teaching models. The initiative has also been extended to cater for the 2021/2022 intake of university and polytechnic students.

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 was a natural extension of the Learn From Home Initiative, YTL Communications collaborated with YTL Foundation to offer free smartphones and 12 month data plans to the households and individuals who qualified to receive the Jaringan Prihatin subsidies. Registrations for the Jaringan Prihatin programme closed on 30 September 2021 but YTL Communications will continue to provide the data plans under the programme until September 2022.

YTL Communications launched its YES Kasi Up programme in December 2020, offering 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. A 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, this segment is looking to increase its subscriber base bolstered by partnerships and collaborations.

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.

INTERIM FINANCIAL REPORT

Notes – continued

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 2021

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

B6. Profit for the period

	Current Quarter 30.9.2021 RM'000	Current Year To Date 30.9.2021 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of inventories	439	439
Allowance for impairment of receivables (net of reversals)	29,194	29,194
Amortisation of contract costs	475	475
Amortisation of grants and contributions	(3,273)	(3,273)
Amortisation of intangible assets	18,290	18,290
Bad debts recovered	(394)	(394)
Depreciation of property, plant and equipment	278,573	278,573
Depreciation of right-of-use assets	30,426	30,426
Fair value loss on investments	10,036	10,036
Interest expense	240,088	240,088
Interest income	(1,032)	(1,032)
Loss on foreign exchange	7,458	7,458
Net gain on disposal of property, plant and equipment	(6,456)	(6,456)
Property, plant and equipment written off	4,080	4,080
	=====	=====

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

	Current Quarter 30.9.2021 RM'000	Current Year To Date 30.9.2021 RM'000
In respect of current period		
- Income Tax	23,247	23,247
- Deferred Tax	25,770	25,770
	<u>49,017</u>	<u>49,017</u>

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

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:

- (i) 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.

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.

- (ii) On 28 September 2021, SIPP Power Sdn. Bhd., a 70%-owned subsidiary of the Company entered into a Sale and Purchase Agreement with Boustead Plantations Berhad to purchase Kulai Young Estate in Johor for a purchase consideration of RM428.8 million and is expected to be completed by end December 2021.

SIPP Power Sdn. Bhd. intends to develop 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.

INTERIM FINANCIAL REPORT

Notes – continued

B9. Group Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdrafts	-	11,648	11,648
Bonds	-	770,000	770,000
Revolving credit	-	361,979	361,979
Term loans	-	1,134,698	1,134,698
	-	<u>2,278,325</u>	<u>2,278,325</u>
Non- current			
Bonds	-	16,072,425	16,072,425
Revolving credit	-	1,223,609	1,223,609
Term loans	-	8,746,827	8,746,827
	-	<u>26,042,861</u>	<u>26,042,861</u>
Total borrowings	-	<u>28,321,186</u>	<u>28,321,186</u>

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

	Foreign currency '000	RM Equivalents '000
US Dollar	<u>448,249</u>	<u>1,877,267</u>
Sterling Pound	<u>2,471,576</u>	<u>13,927,825</u>
Singapore Dollar	<u>1,900,434</u>	<u>5,847,635</u>

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,142.1 million, for which the Company has provided corporate guarantees to the financial institutions.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

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

(a) Derivative Financial Instruments

As at 30 September 2021, 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	1,099,091	236,005
- 1 year to 3 years	161,911	26,462
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,199,828	7,604
- 1 year to 3 years	211,179	2,242
- More than 3 years	-	-
<u>Electricity futures</u>		
- Less than 1 year	158,950	(59,132)
- 1 year to 3 years	4,113	(1,131)
- More than 3 years	-	-
<u>Exchange futures</u>		
- Less than 1 year	615,533	430
- 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.

The Group entered into exchange futures to hedge highly probable fuel purchases that are expected to occur at various dates in the future. The exchange 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.

INTERIM FINANCIAL REPORT

Notes – continued

(b) Fair Value Changes of Financial Liabilities

The (losses)/gains arising from fair value changes of financial liabilities for the current financial period ended 30 September 2021 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the (loss)/gain	Fair value (loss)/gain	
			Current quarter 30.9.2021 RM'000	Current year to date 30.9.2021 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	(21)	(21)
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 favour of the Group	169	169
Exchange futures	Fuel futures price differential between the contracted price and the market forward price	Fuel futures price differential between the contracted price and the market forward price which have moved in favour of the Group	433	433
Total			581	581

INTERIM FINANCIAL REPORT

Notes – continued

B11. Material Litigation

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

B12. Dividend

No dividend has been declared for the current financial quarter.

B13. Earnings Per Share

(i) Basic and Diluted Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
Profit attributable to Owners of the Parent (RM'000)	<u>35,395</u>	<u>76,883</u>	<u>35,395</u>	<u>76,883</u>
Weighted average number of ordinary shares ('000)	<u>8,102,157</u>	<u>7,675,300</u>	<u>8,102,157</u>	<u>7,675,300</u>
Basic/Diluted earnings per share (Sen)	<u>0.44</u>	<u>1.00</u>	<u>0.44</u>	<u>1.00</u>

By Order of the Board

HO SAY KENG

Secretary

Kuala Lumpur

Dated: 25 November 2021