

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

Interim Financial Report
31 December 2023

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**Interim Financial Report
31 December 2023**

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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 period ended 31 December 2023.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2022 RM'000	6 MONTHS ENDED 31.12.2023 RM'000	
			31.12.2022	RM'000
Revenue	5,373,559	4,702,779	10,819,303	9,447,245
Cost of sales	(3,833,463)	(3,969,197)	(7,680,831)	(8,150,904)
Gross profit	1,540,096	733,582	3,138,472	1,296,341
Other operating income	26,831	10,253	57,325	21,846
Other operating expenses	(135,754)	(188,422)	(321,418)	(289,067)
Profit from operations	1,431,173	555,413	2,874,379	1,029,120
Finance costs	(456,712)	(378,760)	(943,580)	(710,661)
Share of profits of investments accounted for using the equity method	50,357	79,289	125,506	162,381
Profit before taxation	1,024,818	255,942	2,056,305	480,840
Taxation	(164,662)	(65,230)	(345,849)	(122,500)
Profit for the period	860,156	190,712	1,710,456	358,340
Attributable to:				
Owners of the parent	845,119	198,822	1,693,026	372,104
Non-controlling interests	15,037	(8,110)	17,430	(13,764)
	860,156	190,712	1,710,456	358,340
Earnings per share attributable to owners of the parent				
Basic (sen)	10.43	2.45	20.90	4.59
Diluted (sen)	10.22	2.44	20.49	4.57

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 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 COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2022 RM'000	6 MONTHS ENDED 31.12.2023 RM'000	
Profit for the period	860,156	190,712	1,710,456	358,340
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	78,620	1,407	81,897	(916)
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- subsidiaries	(295,386)	(61,233)	40,937	(589,976)
- associates and joint ventures	(19,742)	(21,218)	(22,142)	55,265
Currency translation differences:				
- subsidiaries	333,457	299,652	83,923	203,823
- associates and joint ventures	(33,402)	(79,869)	(30,162)	9,493
Other comprehensive income/(loss) for the period, net of tax	63,547	138,739	154,453	(322,311)
Total comprehensive income for the period	923,703	329,451	1,864,909	36,029
Attributable to:				
Owners of the parent	920,360	366,963	1,858,537	47,920
Non-controlling interests	3,343	(37,512)	6,372	(11,891)
	923,703	329,451	1,864,909	36,029

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	31.12.2023	30.6.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,389,748	28,505,180
Investment properties	574,305	579,786
Intangible assets	9,478,681	9,410,685
Right-of-use assets	430,372	445,676
Post-employment benefit assets	64,749	64,314
Investments accounted for using the equity method	1,902,448	1,956,231
Investments	528,328	272,460
Derivative financial instruments	2,313	2,879
Receivables, deposits and prepayments	2,796,799	2,839,195
	-----	-----
	45,167,743	44,076,406
	-----	-----
Current assets		
Inventories	740,694	593,155
Investments	844,324	1,236,200
Receivables, deposits and prepayments	3,622,175	4,207,996
Derivative financial instruments	25,458	18,824
Cash and bank balances	9,621,690	8,999,425
	-----	-----
	14,854,341	15,055,600
	-----	-----
TOTAL ASSETS	60,022,084	59,132,006
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	11,311,030	9,733,170
	-----	-----
Equity attributable to owners of the parent	18,349,617	16,771,757
Non-controlling interests	(455,357)	(370,886)
	-----	-----
TOTAL EQUITY	17,894,260	16,400,871
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 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
	31.12.2023	30.6.2023
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	3,282,113	3,340,624
Borrowings	28,429,982	27,482,356
Lease liabilities	309,251	292,556
Post-employment benefit obligations	17,260	17,141
Grants and contributions	696,863	699,024
Derivative financial instruments	20,009	9,654
Payables	1,936,962	1,861,784
	-----	-----
	34,692,440	33,703,139
	-----	-----
Current liabilities		
Payables and accrued expenses	3,675,103	4,426,426
Derivative financial instruments	86,228	110,828
Post-employment benefit obligations	2,043	707
Taxation	553,907	379,038
Borrowings	3,037,142	4,001,945
Lease liabilities	80,961	109,052
	-----	-----
	7,435,384	9,027,996
	-----	-----
TOTAL LIABILITIES	42,127,824	42,731,135
	-----	-----
TOTAL EQUITY AND LIABILITIES	60,022,084	59,132,006
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.26	2.07
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 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 PERIOD ENDED 31 DECEMBER 2023**

	-----Attributable to Owners of the Parent-----				Total RM'000	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			
At 1 July 2023	7,038,587	130,792	(46,734)	9,649,112	16,771,757	(370,886)	16,400,871
Profit for the financial period	-	-	-	1,693,026	1,693,026	17,430	1,710,456
Other comprehensive income/(loss) for the financial period	-	165,511	-	-	165,511	(11,058)	154,453
Total comprehensive income for the financial period	-	165,511	-	1,693,026	1,858,537	6,372	1,864,909
Effects arising from changes in composition of the Group	-	-	-	(1,298)	(1,298)	2	(1,296)
Dividends paid to non-controlling interests	-	-	-	-	-	(90,845)	(90,845)
Second interim dividend paid for the financial year ended 30 June 2023	-	-	-	(283,575)	(283,575)	-	(283,575)
Share option expenses	-	4,196	-	-	4,196	-	4,196
At 31 December 2023	<u>7,038,587</u>	<u>300,499</u>	<u>(46,734)</u>	<u>11,057,265</u>	<u>18,349,617</u>	<u>(455,357)</u>	<u>17,894,260</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 2023 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 PERIOD ENDED 31 DECEMBER 2022**

	-----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 2022	7,038,587	(693,312)	(46,733)	8,016,080	14,314,622	(257,465)	14,057,157
Profit/(Loss) for the financial period	-	-	-	372,104	372,104	(13,764)	358,340
Other comprehensive (loss)/income for the financial period	-	(324,184)	-	-	(324,184)	1,873	(322,311)
Total comprehensive (loss)/income for the financial period	-	(324,184)	-	372,104	47,920	(11,891)	36,029
Dividends paid to non-controlling interests	-	-	-	-	-	(85,532)	(85,532)
Interim dividend paid for the financial year ended 30 June 2022	-	-	-	(202,554)	(202,554)	-	(202,554)
Share option expenses	-	4,826	-	-	4,826	-	4,826
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 31 December 2022	<u>7,038,587</u>	<u>(1,012,670)</u>	<u>(46,734)</u>	<u>8,185,630</u>	<u>14,164,813</u>	<u>(354,888)</u>	<u>13,809,925</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	6 MONTHS ENDED	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	1,710,456	358,340
Adjustments for:		
Allowance for impairment of an associate	-	272
Allowance for impairment of inventories	917	239
Allowance for impairment of receivables (net of reversals)	47,736	43,059
Amortisation of contract costs	793	478
Amortisation of deferred income	(8,890)	(9,109)
Amortisation of grants and contributions	(2,929)	(2,748)
Amortisation of intangible assets	32,873	32,871
Bad debts recovered	(635)	(917)
Depreciation of property, plant and equipment	564,045	538,473
Depreciation of right-of-use assets	61,045	69,677
Fair value (gain)/loss on investments	(4,712)	18,192
Interest expense	943,580	710,661
Interest income	(25,541)	(4,986)
Net gain on disposal of property, plant and equipment	(3,800)	(3,875)
Property, plant and equipment written off	1,223	2,843
Provision for post-employment benefit	18,519	24,055
Share of profits of investments accounted for using the equity method	(125,506)	(162,381)
Share option expenses	3,796	4,296
Taxation	345,849	122,500
Unrealised loss/(gain) on foreign exchange	1,671	(5,842)
Other non-cash items	(631)	(102)
	<u>3,559,859</u>	<u>1,735,996</u>
Changes in working capital:		
Inventories	(149,216)	(7,012)
Receivables, deposits and prepayments	552,242	211,401
Payables and accrued expenses	(801,386)	(234,160)
Cash flows from operations	<u>3,161,499</u>	<u>1,706,225</u>
Interest paid	(613,883)	(530,230)
Payment to post-employment benefit obligations	(17,800)	(111,795)
Tax paid	(152,356)	(59,271)
Net cash flows from operating activities	<u><u>2,377,460</u></u>	<u><u>1,004,929</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 – Continued**

	6 MONTHS ENDED	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash flows from investing activities		
Additional investments	(175,292)	-
Additional investment accounted for using the equity method	(20,000)	(272)
Decrease in deposits maturing more than 90 days	262,472	-
Dividends received	224,371	210,909
Grants received	14,640	12,058
Increase in shareholder loans	-	(97,254)
Interest received	14,345	4,529
Maturities of income funds	421,652	-
Proceeds from disposal of property, plant and equipment	7,298	12,972
Purchase of intangible assets	(28,994)	(38,383)
Purchase of property, plant and equipment	(1,599,102)	(889,999)
Net cash flows used in investing activities	<u>(878,610)</u>	<u>(785,440)</u>
Cash flows from financing activities		
Dividend paid	(283,575)	(202,554)
Dividends paid to non-controlling interests	(90,845)	(85,532)
Proceeds from borrowings	4,298,188	2,025,721
Repayment of borrowings	(4,537,549)	(1,827,050)
Repayment of lease liabilities	(66,676)	(74,439)
Repurchase of own shares	-	(1)
Net cash flows used in financing activities	<u>(680,457)</u>	<u>(163,855)</u>
Net changes in cash and cash equivalents	818,393	55,634
Effects of exchange rate changes	(11,457)	(36,861)
Cash and cash equivalents at beginning of the financial year	8,727,082	6,784,224
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	<u>9,534,018</u>	<u>6,802,997</u>

[Note a]

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

	RM'000	RM'000
Fixed deposits	8,557,324	5,445,507
Cash and bank balances	1,064,366	1,455,775
Bank overdrafts	(87,672)	(98,285)
(included within short term borrowing in Note B9)		
	<u>9,534,018</u>	<u>6,802,997</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 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 2023.

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 2023.

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 2023.

The amendments to MFRSs which were effective for financial year beginning on or after 1 July 2023 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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Power generation				
- Sale of electricity	3,639,832	3,299,310	7,318,620	6,673,417
- Sale of steam	72,647	54,290	147,577	118,158
- Others	38,357	33,227	80,934	58,836
	<u>3,750,836</u>	<u>3,386,827</u>	<u>7,547,131</u>	<u>6,850,411</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	1,192,389	1,039,431	2,406,735	2,088,976
Telecommunications				
- Sale of devices	60,245	9,747	68,833	19,308
- Telecommunication services	82,321	97,276	223,386	173,586
- Telecommunication infrastructure	38,187	31,654	72,954	58,682
	<u>180,753</u>	<u>138,677</u>	<u>365,173</u>	<u>251,576</u>
Investment holding activities				
- Investment income	176,528	64,544	338,839	102,235
- Management, operation and maintenance fees	29,413	17,047	58,752	33,700
- Others	43,640	56,253	102,673	120,347
	<u>249,581</u>	<u>137,844</u>	<u>500,264</u>	<u>256,282</u>
	<u>5,373,559</u>	<u>4,702,779</u>	<u>10,819,303</u>	<u>9,447,245</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

No share was repurchased from the open market for the current financial quarter and financial year to date. As at 31 December 2023, the number of treasury shares held was 56,054,431 ordinary shares.

On 30 July 2023, 3.52% Retail Price Index Guaranteed Bonds of a subsidiary of the Company amounting to RM528.4 million (GBP90.5 million) was fully repaid.

On 24 August 2023, the Company issued four tranches of Islamic Medium Term Notes of RM200.0 million, RM300.0 million, RM400.0 million and RM500.0 million totalling RM1.4 billion bearing profit rates of 4.30% p.a., 4.45% p.a., 4.62% p.a. and 4.74% p.a., respectively under the Islamic Commercial Papers (“ICP”)/Islamic Medium Term Notes (“IMTN”) programme of up to RM7.5 billion (“ICP/IMTN Programme”). The proceeds of the issuance were partially utilised to repay the Company’s outstanding MTN of RM500.0 million. The remaining proceeds will be utilised for refinancing, to finance future project/investments and/or general corporate purposes.

On 8 November 2023, a subsidiary of the Company issued four tranches of Fixed Rate Bonds totalling RM1.2 billion (GBP200.0 million) all bearing a coupon of 6.50% p.a. and maturing between 2033 and 2043. The proceeds of the issuance will be utilised to finance capital expenditure and repay existing term loans of RM874.9 million (GBP150.0 million) maturing in early 2024.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

The following dividend payment was made during the financial period ended 31 December 2023:-

	<u>RM'000</u>
In respect of the financial year ended 30 June 2023:	
Second interim dividend of 3.5 sen per ordinary share paid on 29 November 2023	<u>283,575</u>

A8. Segment Information

The Group has four reportable segments as described below:

- a) Power generation
- b) Water and sewerage
- c) Telecommunications
- d) 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.

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Notes – continued

Segment information for the financial period ended 31 December 2023:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	7,547,131	2,417,507	365,359	502,618	10,832,615
Inter-segment elimination	-	(10,772)	(186)	(2,354)	(13,312)
External Revenue	<u>7,547,131</u>	<u>2,406,735</u>	<u>365,173</u>	<u>500,264</u>	<u>10,819,303</u>
Segment profit/(loss) before tax	<u>2,058,737</u>	<u>(104,237)</u>	<u>(137,518)</u>	<u>239,323</u>	<u>2,056,305</u>
Finance costs					943,580
Depreciation and amortisation					646,937
EBITDA*					<u>3,646,822</u>

*Included is a fair value gain of RM4.7 million and allowance for impairment of RM48.7 million.

Segment information for the financial period ended 31 December 2022:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	6,850,411	2,097,347	251,751	259,299	9,458,808
Inter-segment elimination	-	(8,371)	(175)	(3,017)	(11,563)
External Revenue	<u>6,850,411</u>	<u>2,088,976</u>	<u>251,576</u>	<u>256,282</u>	<u>9,447,245</u>
Segment profit/(loss) before tax	<u>591,399</u>	<u>9,347</u>	<u>(155,918)</u>	<u>36,012</u>	<u>480,840</u>
Finance costs					710,661
Depreciation and amortisation					629,642
EBITDA*					<u>1,821,143</u>

*Included is a fair value loss of RM18.2 million and allowance for impairment of RM43.6 million.

INTERIM FINANCIAL REPORT

Notes – continued

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.

A10. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 31 December 2023, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations.

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 2023.

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 (that is, 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
31.12.2023				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	-	844,324	-	844,324
- Equity investments	-	70,775	-	70,775
Financial assets at fair value through other comprehensive income	300,106	50	157,397	457,553
Derivatives used for hedging	-	27,771	-	27,771
Total assets	300,106	942,920	157,397	1,400,423
Liabilities				
Derivatives used for hedging	-	106,237	-	106,237
Total liabilities	-	106,237	-	106,237

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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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 %
	31.12.2023 RM'000	31.12.2022 RM'000		31.12.2023 RM'000	31.12.2022 RM'000	
Revenue						
Power generation	3,750,836	3,386,827	+10.7	7,547,131	6,850,411	+10.2
Water & sewerage	1,192,389	1,039,431	+14.7	2,406,735	2,088,976	+15.2
Telecommunications	180,753	138,677	+30.3	365,173	251,576	+45.2
Investment holding activities	249,581	137,844	+81.1	500,264	256,282	+95.2
	<u>5,373,559</u>	<u>4,702,779</u>	+14.3	<u>10,819,303</u>	<u>9,447,245</u>	+14.5
Profit/(Loss) before taxation						
Power generation	1,033,595	301,450	>100.0	2,058,737	591,399	>100.0
Water & sewerage	(69,473)	(16,081)	->100.0	(104,237)	9,347	->100.0
Telecommunications	(66,055)	(71,935)	+8.2	(137,518)	(155,918)	+11.8
Investment holding activities	126,751	42,508	>100.0	239,323	36,012	>100.0
	<u>1,024,818</u>	<u>255,942</u>	>100.0	<u>2,056,305</u>	<u>480,840</u>	>100.0

INTERIM FINANCIAL REPORT

Notes – continued

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group's profit before taxation increased to RM1,024.8 million for the current financial quarter, representing an increase of 300.5% or RM768.9 million as compared to RM255.9 million recorded in the preceding year corresponding quarter.

The Group recorded higher revenue of RM5,373.6 million for the current financial quarter ended 31 December 2023, representing an increase of RM670.8 million or 14.3% as compared to RM4,702.8 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the current financial quarter ended 31 December 2023 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation

The increase in revenue and profit before taxation was mainly due to better margins and strengthening of Singapore Dollar against Ringgit Malaysia.

Water & sewerage

The segment recorded an increase in EBITDA for the current quarter. However, the higher loss before taxation was mainly due to higher interest accruals on index-link bonds of RM154.6 million (GBP26.5 million) in current quarter as compared to RM94.4 million (GBP17.7 million) in the corresponding quarter. The regulated asset base value as at 31 December 2023 increased to GBP4,238.5 million from GBP4,125.0 million as at 30 June 2023.

The higher revenue was contributed primarily from new contracts secured within the non-household retail market and strengthening of Great Britain Pound against Ringgit Malaysia.

Telecommunications

The reduction in loss before taxation and higher revenue was mainly due to higher project revenue recorded.

Investment holding activities

The higher profit before taxation was mainly due to higher interest income and foreign exchange gain.

The increase in revenue was mainly due to higher interest income as mentioned above.

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INTERIM FINANCIAL REPORT

Notes – continued

b) Current Year to date vs Preceding Year to date

The Group's profit before taxation for the current financial period increased to RM2,056.3 million, representing an increase of 327.7% or RM1,575.5 million as compared to RM480.8 million recorded in the preceding year corresponding period, principally attributable to the better performance in Power generation segment.

The Group recorded higher revenue of RM10,819.3 million for the current financial period ended 31 December 2023, representing an increase of RM1,372.1 million or 14.5% as compared to RM9,447.2 million recorded in the preceding financial period ended 31 December 2022.

Performance of the respective operating business segments for the period ended 31 December 2023 as compared to the preceding year corresponding period was consistent with the notes mentioned in (a) above.

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2023 RM'000	Preceding Quarter 30.9.2023 RM'000	Variance % +/-
Revenue	5,373,559	5,445,744	-1.3
Consolidated profit before taxation	1,024,818	1,031,487	-0.6
Consolidated profit after taxation	860,156	850,300	+1.2

The Group revenue and profit before taxation approximated that of the preceding quarter.

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INTERIM FINANCIAL REPORT

Notes – continued

B3. Prospects

The prospects of the respective business segments of the Group for the financial period ended 31 December 2023 are set out below:

Power generation

YTL PowerSeraya Pte. Limited (“YTL PowerSeraya”), a wholly-owned subsidiary of the Company and TNB Power Generation Sdn. Bhd. (“TNB Genco”), a wholly-owned subsidiary of Tenaga Nasional Bhd. have entered into an agreement to export and import 100 megawatts (MW) of electricity to Singapore via the newly upgraded interconnector between the two countries. It is the first-time electricity from Malaysia would be supplied to Singapore on a commercial basis, adhering to the Malaysian Energy Commission’s guide for cross-border electricity sales (“CBES Guide”).

In addition, the lifting of the export ban by the Malaysian Government on renewable energy bodes well for the development of Malaysia’s green electricity market. YTL PowerSeraya is well-positioned to participate in the green energy import market to meet rising demand in Singapore.

On January 2024, YTL PowerSeraya won the inaugural request for proposal under Singapore's Energy Market Authority's new Centralised Process framework to develop a hydrogen-ready combined-cycle gas turbine (“CCGT”) at its Pulau Seraya Power Station site. YTL PowerSeraya's CCGT will be at least 30% volume hydrogen-ready, with the ability to be retrofitted to become operationally 100% hydrogen-ready in the future, aiding in emissions reduction, as the combustion of hydrogen gas generates no greenhouse gases, thereby underscoring the organisation’s commitment to environmentally sustainable practices.

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

The Group intends to develop a large portion of the Kulai Young Estate into a large scale solar power facility with a generation capacity of up to 500MW to power a 500MW green data centre park. This is in line with the Group’s shift towards investing in more sustainable renewable energy solutions moving forward.

INTERIM FINANCIAL REPORT

Notes – continued

Water & sewerage

As Wessex Water's appointed business enters the penultimate year of its Price Review ("PR19"), it continues to work towards delivering the investment commitments agreed with the regulator whilst discussing its submitted plan for the next price review. Under the existing regulatory settlement, any enduring inflationary cost pressures remain to be compensated in future years tariff revenues. Outside of the appointed business Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

Telecommunications

The Group's YES #FirstTo5G and Infinite data plans which currently provide unlimited 5G plus 4G data and its Infinite+ device plans, enables users to experience the fifth generation of wireless mobile technology, delivering higher data speed, ultra-low latency, more reliable coverage, massive network capacity and a more uniform user experience. YTL Communications expects to extend its 5G services to the rest of the country in tandem with the rollout of Digital National Berhad's ("DNB") 5G network. The Minister of Communications and Digital, in a recent statement announced that DNB's 5G rollout had achieved its target of 80% coverage of the population at end of 2023.

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

Investment holding activities

The Group is developing the YTL Green Data Center Park within the Kulai Young Estate in Johor. This will be the first data center campus in Malaysia to be co-powered by on-site renewable solar energy. To date, the Group has partnered with Sea Limited as a co-locator to anchor this world-class green facility. The campus will incorporate innovative and sustainable solutions in design and operations to achieve high-energy efficiency. It is expected to serve a growing demand in the region for eco-friendly, cost-efficient data center solutions from hyperscalers and co-location customers alike.

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

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 2023

The Auditors' Report on the financial statements of the financial year ended 30 June 2023 did not contain any qualification.

B6. Profit for the period

	Current Quarter 31.12.2023 RM'000	Current Year To Date 31.12.2023 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of inventories	10	917
Allowance for impairment of receivables (net of reversals)	1,381	47,736
Amortisation of contract costs	452	793
Amortisation of deferred income	(4,445)	(8,890)
Amortisation of grants and contributions	(1,475)	(2,929)
Amortisation of intangible assets	16,107	32,873
Bad debts recovered	(285)	(635)
Depreciation of property, plant and equipment	261,807	564,045
Depreciation of right-of-use assets	22,312	61,045
Fair value gain on investments	(12,371)	(4,712)
Gain on foreign exchange	(4,324)	(113)
Interest expense	456,712	943,580
Interest income	(14,340)	(25,541)
Net gain on disposal of property, plant and equipment	(1,992)	(3,800)
Property, plant and equipment written off	-	1,223
	=====	=====

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

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INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

	Current Quarter 31.12.2023 RM'000	Current Year To Date 31.12.2023 RM'000
In respect of current period		
- Income Tax	188,926	369,301
- Deferred Tax	(24,264)	(23,452)
	<u>164,662</u>	<u>345,849</u>

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

B8. Corporate Proposals

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

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2023 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdrafts	-	87,672	87,672
Bonds	-	700,000	700,000
Hire purchase	35	-	35
Revolving credit	-	1,257,033	1,257,033
Term loans	-	970,664	970,664
Trade loans	-	21,738	21,738
	<u>35</u>	<u>3,037,107</u>	<u>3,037,142</u>
Non- current			
Bonds	-	20,939,516	20,939,516
Hire purchase	89	-	89
Revolving credit	-	804,107	804,107
Term loans	510,961	6,175,309	6,686,270
	<u>511,050</u>	<u>27,918,932</u>	<u>28,429,982</u>
Total borrowings	<u>511,085</u>	<u>30,956,039</u>	<u>31,467,124</u>

INTERIM FINANCIAL REPORT

Notes – continued

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

	Foreign currency '000	RM Equivalents '000
US Dollar	247,363	1,135,767
Sterling Pound	3,178,075	18,586,656
Singapore Dollar	868,902	3,025,691

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,010.5 million, for which the Company has provided corporate guarantees to the financial institutions.

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

(a) Derivative Financial Instruments

As at 31 December 2023, 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	1,724,755	(23,805)
- 1 year to 3 years	270,236	(8,614)
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,690,042	(36,965)
- 1 year to 3 years	431,489	(8,955)
- More than 3 years	3,414	(127)

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 at various dates 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 counterparties with a view to limit the credit risk exposure of the Group.

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Notes – continued

(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial period ended 31 December 2023 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain	Fair value gain	
			Current quarter 31.12.2023 RM'000	Current year to date 31.12.2023 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 in favour of the Group	4	1
Total			4	1

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.

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INTERIM FINANCIAL REPORT

Notes – continued

B13. Earnings Per Share

(i) Basic Earnings Per Share

The basic 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 and financial year to date as set out below:

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to Owners of the Parent (RM'000)	<u>845,119</u>	<u>198,822</u>	<u>1,693,026</u>	<u>372,104</u>
Weighted average number of ordinary shares ('000)	<u>8,102,154</u>	<u>8,102,154</u>	<u>8,102,154</u>	<u>8,102,155</u>
Basic earnings per share (Sen)	<u>10.43</u>	<u>2.45</u>	<u>20.90</u>	<u>4.59</u>

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**Notes – continued****(ii) Diluted Earnings Per Share**

The 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 and financial year to date as set out below:

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to Owners of the Parent (RM'000)	845,119	198,822	1,693,026	372,104
<i>Weighted average number of ordinary shares – diluted ('000)</i>				
Weighted average number of ordinary shares - basic	8,102,154	8,102,154	8,102,154	8,102,155
Effect of unexercised ESOS	166,898	41,198	160,712	43,825
	<u>8,269,052</u>	<u>8,143,352</u>	<u>8,262,866</u>	<u>8,145,980</u>
Diluted earnings per share (Sen)	<u>10.22</u>	<u>2.44</u>	<u>20.49</u>	<u>4.57</u>

* Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM128.4 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM128.4 million resulting in a decrease in NA per share of RM0.05. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board

HO SAY KENG

Secretary

Kuala Lumpur

Dated: 22 February 2024