

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

Interim Financial Report
31 December 2021

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 31 December 2021.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	6 Months Ended 31.12.2021 RM'000	
			31.12.2021 RM'000	31.12.2020 RM'000
Revenue	6,851,673	4,591,699	11,916,270	8,770,527
Cost of sales	<u>(6,061,379)</u>	<u>(3,694,628)</u>	<u>(10,113,345)</u>	<u>(7,061,208)</u>
Gross profit	790,294	897,071	1,802,925	1,709,319
Other operating income	73,915	113,772	150,334	180,492
Other operating expenses	<u>(442,869)</u>	<u>(513,685)</u>	<u>(944,753)</u>	<u>(955,308)</u>
Profit from operations	421,340	497,158	1,008,506	934,503
Finance costs	(385,828)	(398,163)	(765,138)	(777,310)
Share of results of associated companies and joint ventures	<u>106,388</u>	<u>97,857</u>	<u>223,956</u>	<u>176,505</u>
Profit before taxation	141,900	196,852	467,324	333,698
Taxation	<u>(78,624)</u>	<u>(111,404)</u>	<u>(226,043)</u>	<u>(199,550)</u>
Profit for the period	<u>63,276</u>	<u>85,448</u>	<u>241,281</u>	<u>134,148</u>
Attributable to:-				
Owners of the parent	2,037	16,094	107,259	17,387
Non-controlling interests	<u>61,239</u>	<u>69,354</u>	<u>134,022</u>	<u>116,761</u>
Profit for the period	<u>63,276</u>	<u>85,448</u>	<u>241,281</u>	<u>134,148</u>
Earnings per share				
Basic (Sen)	<u>0.02</u>	<u>0.15</u>	<u>0.98</u>	<u>0.16</u>

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

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	6 Months Ended	
			31.12.2021 RM'000	31.12.2020 RM'000
Profit for the period	<u>63,276</u>	<u>85,448</u>	<u>241,281</u>	<u>134,148</u>
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	(17,010)	73	(22,037)	(43,479)
- foreign currency translation	7,902	57,876	(72,423)	21,702
<i>Items that may be reclassified subsequently to income statement:-</i>				
- cash flow hedges	(231,815)	166,754	(244,769)	201,588
- share of other comprehensive (loss)/ income of associated company	(1,332)	11,055	(9,508)	19,624
- foreign currency translation	<u>44,689</u>	<u>117,598</u>	<u>(76,705)</u>	<u>76,424</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(197,566)</u>	<u>353,356</u>	<u>(425,442)</u>	<u>275,859</u>
Total comprehensive (loss)/income for the period	<u>(134,290)</u>	<u>438,804</u>	<u>(184,161)</u>	<u>410,007</u>
Attributable to :-				
Owners of the parent	(101,617)	232,454	(142,054)	184,860
Non-controlling interests	<u>(32,673)</u>	<u>206,350</u>	<u>(42,107)</u>	<u>225,147</u>
Total comprehensive (loss)/income for the period	<u>(134,290)</u>	<u>438,804</u>	<u>(184,161)</u>	<u>410,007</u>

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

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

	Unaudited As at 31.12.2021 RM'000	Audited As at 30.06.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	31,807,639	32,120,318
Right of use assets	1,741,028	1,712,517
Investment properties	1,990,206	1,976,498
Investment in associated companies and joint ventures	4,415,350	4,405,122
Investments	362,804	305,718
Development expenditure	1,086,615	1,067,428
Intangible assets	8,596,429	8,500,075
Trade, other receivables and contract assets	2,048,842	1,812,182
Derivative financial instruments	14,556	26,461
	<u>52,063,469</u>	<u>51,926,319</u>
Current Assets		
Inventories	1,124,611	1,136,927
Property development costs	253,790	232,249
Trade, other receivables and contract assets	4,557,452	3,924,362
Derivative financial instruments	241,485	263,719
Income tax assets	172,074	134,979
Investments	2,152,254	2,473,454
Amount due from related parties	96,113	92,910
Fixed deposits	8,578,796	11,522,776
Cash and bank balances	2,815,413	2,155,871
	<u>19,991,988</u>	<u>21,937,247</u>
TOTAL ASSETS	<u><u>72,055,457</u></u>	<u><u>73,863,566</u></u>

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited	Audited
	As at	As at
	31.12.2021	30.06.2021
	RM'000	RM'000
EQUITY AND LIABILITIES		
Share capital	3,467,555	3,467,555
Other reserves	554,119	892,399
Retained profits	7,840,736	8,482,982
Less : Treasury shares, at cost	(54,452)	(54,451)
Equity Attributable to Owners of the Parent	<u>11,807,958</u>	<u>12,788,485</u>
Non-Controlling Interests	<u>3,810,743</u>	<u>3,549,476</u>
Total Equity	<u>15,618,701</u>	<u>16,337,961</u>
Non-current liabilities		
Long term payables and other contract liabilities	1,592,762	1,496,599
Bonds & borrowings	31,998,971	35,410,547
Lease liabilities	1,289,459	1,303,867
Grants and contributions	679,057	661,614
Deferred tax liabilities	3,063,454	3,060,349
Post-employment benefit obligations	398,794	481,682
Provision for liabilities and charges	28,411	27,752
Derivative financial instruments	3,134	713
	<u>39,054,042</u>	<u>42,443,123</u>
Current Liabilities		
Trade, other payables and other contract liabilities	4,941,161	4,878,041
Derivative financial instruments	260,178	34,074
Amount due to related parties	33,892	38,411
Bonds & borrowings	11,707,034	9,663,896
Lease liabilities	113,930	180,091
Income tax liabilities	200,436	159,692
Provision for liabilities and charges	126,083	128,277
	<u>17,382,714</u>	<u>15,082,482</u>
TOTAL LIABILITIES	56,436,756	57,525,605
TOTAL EQUITY AND LIABILITIES	<u>72,055,457</u>	<u>73,863,566</u>
Net Assets per share (RM)	<u>1.08</u>	<u>1.17</u>

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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

Group	← Attributable to Owners of the Parent →				Total RM'000	Non- Controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2021	3,467,555	8,482,982	(54,451)	892,399	12,788,485	3,549,476	16,337,961
Profit for the period	-	107,259	-	-	107,259	134,022	241,281
Other comprehensive loss	-	-	-	(249,313)	(249,313)	(176,129)	(425,442)
Total comprehensive income/(loss) for the period	-	107,259	-	(249,313)	(142,054)	(42,107)	(184,161)
Changes in composition of the Group	-	(460,480)	-	(62,055)	(522,535)	512,941	(9,594)
Conversion of ICULS	-	(14,812)	-	(27,023)	(41,835)	-	(41,835)
Dividends paid	-	(274,102)	-	-	(274,102)	(209,567)	(483,669)
Purchase of treasury shares	-	-	(1)	-	(1)	-	(1)
Reclassification upon disposal of investments designated at FVOCI	-	(111)	-	111	-	-	-
At 31 December 2021	<u>3,467,555</u>	<u>7,840,736</u>	<u>(54,452)</u>	<u>554,119</u>	<u>11,807,958</u>	<u>3,810,743</u>	<u>15,618,701</u>

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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

Group	← Attributable to Owners of the Parent →				Total RM'000	Non- Controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2020	3,467,555	8,982,083	(501,837)	512,535	12,460,336	3,149,593	15,609,929
Profit for the period	-	17,387	-	-	17,387	116,761	134,148
Other comprehensive income	-	-	-	167,473	167,473	108,386	275,859
Total comprehensive income for the period	-	17,387	-	167,473	184,860	225,147	410,007
Changes in composition of the Group	-	15,681	-	-	15,681	(49,005)	(33,324)
Dividends paid	-	-	-	-	-	(113,256)	(113,256)
Purchase of treasury shares	-	-	(18,225)	-	(18,225)	-	(18,225)
Share dividend	-	(477,700)	477,700	-	-	-	-
Share options expenses	-	-	-	1,356	1,356	-	1,356
Subsidiary's share option lapsed	-	613	-	(341)	272	-	272
At 31 December 2020	<u>3,467,555</u>	<u>8,538,064</u>	<u>(42,362)</u>	<u>681,023</u>	<u>12,644,280</u>	<u>3,212,479</u>	<u>15,856,759</u>

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

**YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	6 Months Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	467,324	333,698
Adjustment for :-		
Adjustment on fair value of investment properties	(1,991)	-
Amortisation of contract costs	920	1,927
Amortisation of grants and contributions	(6,523)	(11,530)
Amortisation of intangible assets	35,457	34,896
Depreciation of property, plant and equipment	829,185	804,146
Depreciation of right-of-use assets	86,833	89,200
Dividend income	(1,952)	(13,682)
Fair value changes of financial assets	2,938	(8,965)
Impairment/(reversal of impairment) loss	43,530	(37,634)
Interest expense	765,138	777,310
Interest income	(93,603)	(78,294)
Net gain on disposal of property, plant and equipment	(42,892)	(5,506)
Property, plant and equipment written off	9,202	1,483
Provision for post-employment benefits	26,767	23,805
Provision for liabilities and charges	-	1,536
Share option expenses	-	2,460
Share of results of associated companies and joint ventures	(223,956)	(176,505)
Unrealised gain on foreign exchange	5,120	73,196
Other non cash items	(7,074)	(2,105)
Operating profit before changes in working capital	1,894,423	1,809,436

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 - continued

	6 Months Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
Changes in working capital:-		
Inventories	(5,935)	53,208
Property development costs	1,835	(25,269)
Receivables, deposits and prepayments	(838,364)	(547,791)
Payables and accrued expenses	298,097	1,009,797
Related parties balances	(7,722)	14,830
Cash generated from operations	1,342,334	2,314,211
Dividend received	246,335	228,642
Interest paid	(776,345)	(703,473)
Interest received	93,546	80,525
Payment to a retirement benefits scheme	(111,132)	(107,049)
Income tax paid	(143,034)	(74,607)
Net cash from operating activities	651,704	1,738,249
Cash flows from investing activities		
Acquisition of subsidiaries	(108,556)	(142)
Additional investment in associated company	(12,036)	(23,200)
Development expenditure incurred	(10,265)	(9,807)
Grants received in respect of infrastructure assets	12,710	32,811
Net decrease in deposits maturing more than 90 days	-	97,637
Net withdrawals/(placement) of income funds	504,933	(371,958)
Proceeds from disposal of property, plant & equipment	32,132	17,311
Proceeds from disposal of investments	5,144	27,241
Proceeds from finance lease receivables	2,385	2,401
Purchase of intangible assets	(24,035)	(97)
Purchase of investment properties	(11,751)	(43,140)
Purchase of investments	(272,638)	(340,060)
Purchase of property, plant & equipment	(780,186)	(985,405)
Purchase of right-of-use assets	(2,930)	(10,621)
Shareholder loans	(168,585)	(45,842)
Net cash used in investing activities	(833,678)	(1,652,871)

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 - continued**

	6 Months Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(274,102)	-
Dividend paid to non-controlling interests by subsidiaries	(209,567)	(113,256)
Repurchase of own shares by the company (at net)	(1)	(18,226)
Repurchase of subsidiaries' shares by subsidiaries	(1)	(33,212)
Proceeds from bonds	-	740,000
Proceeds from borrowings	717,845	1,265,119
Repayment of bonds	(1,715,790)	-
Repayment of borrowings	(429,720)	(1,963,905)
Repayment of lease liabilities	(108,219)	(180,109)
Net cash used in financing activities	<u>(2,019,555)</u>	<u>(303,589)</u>
Net changes in cash and cash equivalents	(2,201,529)	(218,211)
Effects of exchange rate changes	(59,933)	(6,479)
Cash and cash equivalents at beginning of the financial year	<u>13,652,596</u>	<u>11,100,066</u>
Cash and cash equivalents at end of the financial period	<u><u>11,391,134</u></u>	<u><u>10,875,376</u></u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	8,578,796	9,545,944
Cash and bank balances	2,815,413	1,766,749
Deposits with maturity 90 days and more	-	(437,224)
Bank overdraft	(3,075)	(93)
	<u><u>11,391,134</u></u>	<u><u>10,875,376</u></u>

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

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements pursuant to MFRS 134

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

A1. Accounting Policies and Methods of Computation

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

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

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

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

A2. Seasonality or Cyclicity of Operations

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

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	6 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Utilities				
Sale of electricity	3,763,465	1,461,997	5,735,692	2,850,418
Sale of clean water, treatment and disposal of waste water	1,026,992	934,877	2,067,737	1,808,631
Sale of steam	56,684	41,595	110,507	87,522
Broadband and telecommunications	156,625	93,894	426,524	193,236
Others	43,390	43,980	134,766	88,126
	<u>5,047,156</u>	<u>2,576,343</u>	<u>8,475,226</u>	<u>5,027,933</u>

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Notes: - continued

A3. Disaggregation of revenue – continued

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	6 Months Ended	
			31.12.2021 RM'000	31.12.2020 RM'000
Cement and building materials industry				
Sale of cement and related products	1,068,751	1,149,948	1,772,614	2,203,439
Others	9,696	3,734	11,999	9,691
	<u>1,078,447</u>	<u>1,153,682</u>	<u>1,784,613</u>	<u>2,213,130</u>
Construction				
Construction contracts revenue	<u>405,064</u>	<u>573,630</u>	<u>645,967</u>	<u>1,003,560</u>
Hotel operations				
Hotel room and food and beverages	163,274	98,838	301,282	207,906
Others	2,871	1,579	12,682	4,646
	<u>166,145</u>	<u>100,417</u>	<u>313,964</u>	<u>212,552</u>
Property				
Sale of completed properties	20,094	43,953	49,227	49,047
Sale of lands	-	26,501	402,291	26,501
Others	3,880	3,524	7,586	7,381
	<u>23,974</u>	<u>73,978</u>	<u>459,104</u>	<u>82,929</u>
Management services & others				
Operation and maintenance services	26,337	23,670	51,025	48,329
Property manager fees	16,586	16,563	33,430	33,076
Food and beverages operations	1,528	962	2,338	2,518
Media and advertising services	1,069	922	1,865	1,699
Others	8,042	6,408	19,680	14,750
	<u>53,562</u>	<u>48,525</u>	<u>108,338</u>	<u>100,372</u>
Other sources				
Rental income	53,252	34,148	76,579	67,684
Interest income	23,296	24,336	50,707	48,866
Dividend income	777	6,640	1,772	13,501
	<u>77,325</u>	<u>65,124</u>	<u>129,058</u>	<u>130,051</u>
Total revenue	<u><u>6,851,673</u></u>	<u><u>4,591,699</u></u>	<u><u>11,916,270</u></u>	<u><u>8,770,527</u></u>

A4. Exceptional or Unusual Items

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

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Notes: - continued

A5. Changes in estimates of amounts reported

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

A6. Changes in Debt and Equity Securities

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

During the current financial quarter and financial period to date, the Company repurchased 1,000 ordinary shares from the open market for a total consideration of RM639. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 31 December 2021, the number of treasury shares held was 58,674,950 ordinary shares.

A7. Dividend paid

There following dividend payment was made during the financial period ended 31 December 2021:

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

A8. Segmental Information

The Group has six reportable segments as described below:

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

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

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

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Notes: - continued

A8. Segment Information - continued

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

The Group's segmental result for the financial period ended 31 December 2021 is as follows:-

	Construction RM'000	Cement and building materials industry RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	645,967	1,784,613	523,794	172,660	314,010	8,475,226	-	11,916,270
Inter-segment revenue	25,909	4,941	86,877	82,695	4,447	8,807	(213,676)	-
Total revenue	<u>671,876</u>	<u>1,789,554</u>	<u>610,671</u>	<u>255,355</u>	<u>318,457</u>	<u>8,484,033</u>	<u>(213,676)</u>	<u>11,916,270</u>
Segment results								
Profit/(loss) from operations	<u>45,500</u>	<u>180,177</u>	<u>310,589</u>	<u>51,443</u>	<u>(32,178)</u>	<u>452,975</u>	<u>-</u>	<u>1,008,506</u>
Finance costs								<u>(765,138)</u>
Share of profit of associated companies & joint ventures								<u>243,368</u>
Profit before taxation								<u>223,956</u>
Finance costs								<u>467,324</u>
Depreciation and amortisation								<u>765,138</u>
EBITDA *								<u>945,872</u>
								<u>2,178,334</u>

* Included a fair value loss of RM0.9 million and impairment loss of RM43.5 million.

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Notes: - continued

A8. Segment Information - continued

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

The Group's segmental result for the financial period ended 31 December 2020 is as follows:-

	Construction RM'000	Cement and building materials industry RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	1,003,560	2,213,994	152,692	159,796	212,552	5,027,933	-	8,770,527
Inter-segment revenue	17,928	15,665	59,712	34,886	2,958	6,346	(137,495)	-
Total revenue	<u>1,021,488</u>	<u>2,229,659</u>	<u>212,404</u>	<u>194,682</u>	<u>215,510</u>	<u>5,034,279</u>	<u>(137,495)</u>	<u>8,770,527</u>
Segment results								
Profit/(loss) from operations	<u>106,106</u>	<u>315,870</u>	<u>(65,935)</u>	<u>213,468</u>	<u>(73,183)</u>	<u>438,177</u>	<u>-</u>	<u>934,503</u>
Finance costs								<u>(777,310)</u>
Share of profit of associated companies & joint ventures								<u>157,193</u>
Profit before taxation								<u>176,505</u>
								<u>333,698</u>
Finance costs								<u>777,310</u>
Depreciation and amortisation								<u>918,639</u>
EBITDA *								<u><u>2,029,647</u></u>

* Included a fair value gain of RM9.0 million and reversal of impairment loss of RM37.6 million.

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Notes: - continued

A9. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 31 December 2021, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 17 August 2021, Business & Budget Hotels (Seberang Jaya) Sdn Bhd, an indirect subsidiary of the Company, which is inactive and has no intention to carry on business or operations in the future, commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016.
- On 17 August 2021, Extiva Communications Sdn Bhd, an indirect subsidiary of YTL Power International Berhad ("YTL Power"), which is inactive and has no intention to carry on business or operations in the future, commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016.
- On 8 October 2021, YTL Seraya Limited, an indirect subsidiary of YTL Power, incorporated a wholly-owned subsidiary known as YTL Data Center Holdings Pte Ltd ("YTL Data Center") with an issued share capital of SGD1.00 comprising 1 ordinary share. YTL Data Center will be principally involved in investment holding in companies that will own and operate data centers.
- On 8 October 2021, YTL Data Center incorporated a wholly-owned subsidiary known as YTL DC No. 1 Pte Ltd ("YTLDC1") with an issued share capital of SGD1.00 comprising 1 ordinary share. YTLDC1 will be principally involved in investment holding in companies that will own and operate data centers.
- On 12 October 2021 and 25 October 2021, YTLDC1 subscribed for 1 ordinary share and 18,250,000 ordinary shares respectively, representing 50% of the issued and paid-up share capital of AP1 Pte. Ltd. ("AP1") for a total consideration of SGD18,250,001.00.

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

- On 12 November 2021, Niche Retailing Sdn Bhd, an indirect wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as PP Refined Venture Sdn Bhd ("PPRV") with an issued share capital of RM1.00 comprising 1 ordinary share. PPRV will be principally involved in retailing of fashion apparels and related accessories.
- On 12 November 2021, YTL Hotel and Properties Sdn Bhd ("YTLHP"), a wholly-owned subsidiary of the Company, acquired 7,500 ordinary shares of £1 each, representing the entire issued share capital in Bath Colonnade Properties Limited(The) ("Bath Colonnade"). As a result of the acquisition, Bath Colonnade became a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company. Bath Colonnade is principally involved in letting of premises.

INTERIM FINANCIAL REPORT

Notes: - continued

A10. Changes in Contingent Liabilities or Contingent Assets

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

A11. Subsequent Events

Save for the following, there were no items, transactions or events of material or unusual in nature during the period from the end of the quarter under review to the date of this report:-

- The following indirect subsidiaries of Malayan Cement Berhad, which have been placed under member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016, had on 5 January 2022 lodged the Return by Liquidator relating to Final Meeting with Companies Commission of Malaysia:
 - (i) Probuilders Centre Sdn Bhd; and
 - (ii) Lafarge Concrete (East Malaysia) Sdn Bhd.

Upon the expiry of 3 months after said lodgement, the abovementioned companies shall be dissolved.

- On 5 January 2022, Wessex Water Limited, a wholly-owned subsidiary of YTL Power, incorporated a wholly-owned subsidiary known as EnTrade Ltd ("EnTrade") with an issued share capital of GBP1.00 comprising 1 ordinary share of GBP1.00 each. EnTrade will be principally involved in environmental consultancy.
- On 28 January 2022, YTL Data Center incorporated a wholly-owned subsidiary known as YTL DC South Sdn Bhd ("YTLDCS") with an issued share capital of RM1.00 comprising 1 ordinary share. YTLDCS will be principally involved in investment holding.
- On 14 February 2022, YTL Power incorporated a wholly-owned subsidiary known as YTL RE Holdings Sdn Bhd ("YTLRE") with an issued share capital of RM1.00 comprising 1 ordinary share. YTLRE will be principally involved in investment holding.
- On 23 February 2022, YTLRE incorporated a wholly-owned subsidiary known as YTL Southern Solar Sdn Bhd ("YTLSS") with an issued capital of RM1.00 comprising 1 ordinary share.

YTLSS will be principally involved in:

- Investment holding;
- Development, ownership, operation and maintenance of solar photovoltaic power plant and related generation of electricity from green energy sources, procurement, construction and commission services; and
- Building, operation and maintenance of transmission infrastructure.

INTERIM FINANCIAL REPORT

Notes: - continued

A12. Fair value measurement

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

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

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	9,485	-	9,485
- Income/equity funds	-	2,184,322	-	2,184,322
- Equity investments	13,714	87,349	-	101,063
Derivative used for hedging	-	246,556	-	246,556
Financial assets at fair value through other comprehensive income	14,841	43	214,789	229,673
	<u>28,555</u>	<u>2,527,755</u>	<u>214,789</u>	<u>2,771,099</u>
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	8,995	-	8,995
Derivative used for hedging	-	254,317	-	254,317
	<u>-</u>	<u>263,312</u>	<u>-</u>	<u>263,312</u>

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INTERIM FINANCIAL REPORT

Notes: - continued

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

B1. Review of Performance

	Individual Quarter		Variance	Cumulative Quarter		Variance
	31.12.2021	31.12.2020	%	31.12.2021	31.12.2020	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
Revenue						
Construction	405,064	573,630	-29%	645,967	1,003,560	-36%
Cement and building materials industr	1,078,447	1,154,219	-7%	1,784,613	2,213,994	-19%
Property investment & development	56,534	108,540	-48%	523,794	152,692	243%
Management services & others	98,316	78,583	25%	172,660	159,796	8%
Hotels	166,156	100,384	66%	314,010	212,552	48%
Utilities	5,047,156	2,576,343	96%	8,475,226	5,027,933	69%
	<u>6,851,673</u>	<u>4,591,699</u>		<u>11,916,270</u>	<u>8,770,527</u>	
Profit/(loss) before taxation						
Construction	19,991	54,881	-64%	43,943	100,919	-56%
Cement and building materials industr	114,448	131,493	-13%	95,579	222,951	-57%
Property investment & development	(19,693)	(91,669)	79%	286,490	(110,129)	360%
Management services & others	(79,591)	(64,198)	-24%	(219,601)	(105,884)	-107%
Hotels	(31,875)	(53,999)	41%	(44,732)	(88,259)	49%
Utilities	138,620	220,344	-37%	305,645	314,100	-3%
	<u>141,900</u>	<u>196,852</u>		<u>467,324</u>	<u>333,698</u>	

For the current financial quarter under review, the Group revenue was RM6,851.7 million as compared to RM4,591.7 million, recorded in the preceding year corresponding quarter. The Group recorded a profit before tax of RM141.9 million for the current financial quarter. This represents a decrease of RM55.0 million or 27.9% as compared to a profit of RM196.9 million recorded in the preceding year corresponding quarter.

For the current financial period under review, the Group revenue was at RM11,916.3 million as compared to RM8,770.5 million recorded in the preceding year corresponding period. The Group profit before taxation for the current financial period stood at RM467.3 million. This represents an increase of RM133.6 million or 40.0% as compared to a profit of RM333.7 million recorded in the preceding year corresponding period.

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INTERIM FINANCIAL REPORT

Notes – continued

Since the outbreak of COVID-19, we experienced unprecedented disruptions – a global pandemic, country-wide lockdown, massive loss of employment, economic downturn, and an uncertain future outlook all combined to create unique challenges for individuals and businesses across all industries. The direct impact of the COVID-19 pandemic is reflected in the performance of the respective operating business segments for the financial quarter/period ended 31 December 2021 as compared to the preceding year corresponding quarter/period are analysed as follows:

Construction

For the current financial quarter/period under review, the decrease in revenue and profit before tax was principally due to the decrease in construction works and higher operating expenses incurred.

Cement and building materials industry

For the current financial quarter under review, the revenue decreased mainly attributable to the absence of contribution from China division after the disposal of an indirect wholly-owned subsidiary that owns a cement plant in the preceding financial year. The reduction in profit before tax was mainly attributed to the said reason coupled with the increase in cost of fuel, logistics and raw materials.

For the current financial period under review, the decrease in revenue and profit before tax was significantly due to the impact of the COVID-19 pandemic in the domestic and Vietnam markets coupled with the absence of contribution from China division as mentioned above.

Property investment & development

For the current financial quarter under review, low sales recorded contributed to the decrease in revenue. The reduction in loss before tax was mainly due to lower finance costs incurred by YTL Land & Development Berhad following the disposal of YTL Westwood Pte Ltd in the preceding financial year, lower unrealised foreign exchange loss on borrowings denominated in foreign currencies recorded by YTL Hospitality REIT and higher share of profits from Starhill Global Real Investment Trust.

For the current financial period under review, the significant increase in revenue was primarily attributable to sales recorded under the Brabazon project undertaken by YTL Property Holdings (UK) Ltd. and the sale of lands by Satria Sewira Sdn. Bhd. and Emerald Hectares Sdn. Bhd.. However, the increase in profit before tax was mainly due to higher revenue, the absence of unrealised foreign exchange loss on borrowings denominated in foreign currencies coupled with higher share of profits as mentioned above.

Management services & others

For the current financial quarter/period under review, increase in revenue was mainly due to higher rental income. However, the increase in loss before tax was principally attributable to the contribution to a corporate social responsibility programme and fair value loss on investments.

Hotels

For the current financial quarter/period under review, the increase in revenue and reduction in loss before tax recorded were mainly attributable to better performance of our hotels in United Kingdom (“UK”) and domestic hotels and resorts following the easing of movement restrictions in the UK and Malaysia.

INTERIM FINANCIAL REPORT

Notes – continued

Utilities

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

- The Power Generation (Contracted) division, the absence of revenue and loss before tax was mainly due to the expiry of the extended power purchase agreement for the Paka Power Station on 30 June 2021.
- Multi utilities business (Merchant) division recorded higher revenue was primarily due to the higher pool price. However, the decrease in profit before taxation was mainly due to increase in fuel cost in current quarter and the absence of recovery of impairment of receivables arising from successful appeal against a High Court decision recognised in the preceding year corresponding quarter, partially offset by higher pool gains.
- Water & sewerage division recorded higher revenue was contributed primarily due to the improvement in non-household retail market and strengthening of Great Britain Pound against Ringgit Malaysia. The profit before taxation consistent to the comparative quarter.
- For Telecommunications division, higher revenue and reduction in loss before tax were mainly due to growth of the subscriber base resulting from the launch of affordable data plans bolstered by partnerships and collaborations.

For the current financial period under review, performance of the respective operating business divisions was consistent with the notes mentioned above with the exception of the Multi utilities business (Merchant) and Water & sewerage divisions:

- Multi utilities business (Merchant) division recorded higher revenue was primarily due to the higher pool and fuel oil price. However, the decrease in profit before taxation was mainly due to increase in fuel cost in current financial period and the absence of recovery of impairment of receivables arising from successful appeal against a High Court decision recognised in the preceding financial period, partially offset by higher pool gains.
- Water & sewerage division recorded higher revenue was mainly due to the improvement in non-household retail market, increase in price as allowed by regulator and the strengthening of Great Britain Pound against Ringgit Malaysia. The increase profit before taxation was consistent to the comparative period.

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INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2021 RM'000	Preceding Quarter 30.09.2021 RM'000	Variance % +/-
Revenue	6,851,673	5,064,597	35%
Profit before taxation	141,900	325,424	-56%
Profit after taxation	63,276	178,005	-64%

The increase in revenue was primarily attributable to higher revenue contribution by all business segments except for Property investment & development segment. The lower profit before tax was mainly due to the absence of the sale of lands by Property investment & development segment recorded in the preceding quarter coupled with increase in fuel cost that impacted the Multi utilities business (Merchant) division.

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

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

B4. Prospects

Globally, businesses have faced unprecedented social and economic challenges since the COVID-19 pandemic. Countries where the Group operates continued with various movement control regulations and laws and limited the operation of non-essential services. To date, 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 have been cushioned by its Utilities segment which by its nature are essential services that have continued to operate throughout the control period.

Construction

With high vaccination rate and phases of recovery in place, management has been proactive in taking actions to ensure construction work-in-progress is on track. Notwithstanding, this segment is expected to contribute positively based on its current order book.

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INTERIM FINANCIAL REPORT

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Cement and building materials industry

Whilst the short-term outlook may remain challenging due to the impact of the COVID-19 pandemic on public and private plans for new investments, the solid dynamics of the Group's main markets remain intact. Management is confident that the key growth drivers, e.g. infrastructure requirements and demand for housing from urbanization, will continue to underpin demand growth. The Cement division will also increase export volumes from its dedicated Langkawi production facility.

Property investment & development

The property sector is expected to have a modest recovery given the acceleration of the national vaccination programme and the reopening of the Malaysia's economy in various stages. Notwithstanding, the Group will continue to embark on marketing efforts and initiatives to unlock sales as well as undertake project launches.

Management services & others/Hotels

The short-term outlook for the hospitality industry remains challenging. Demand from international business and leisure travellers is expected to remain subdued until containment of the COVID-19 pandemic, after which management expect pent-up demand to fuel recovery. The lifting of interstate and overseas travel restrictions with the relaxation of quarantine measures is set to revive tourism, hospitality and the retail industry which will bring positive economic outcomes and augur well for business.

Utilities

The Group completed the acquisition of the Kulai Young Estate in Johor in January 2022 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 YTL Power 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.

The YTL Power 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 was 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 are now expected to be in the first and second half of the calendar year 2022 respectively. APCO has invoked the force majeure provisions under the Power Purchase Agreement with NEPCO.

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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 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.

As for the Water & Sewerage division, 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.

In December 2021, together with Digital Nasional Bhd’s launch of Malaysia’s 5G wholesale services in the Klang Valley, YTL Communications launched its 5G services, becoming the first telco in Malaysia to offer 5G access to its customers. The Group’s YES #FirstTo5G 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 to users. YTL Communications expects to extend its 5G services to the rest of the country in tandem with the rollout of Digital Nasional Bhd’s 5G network.

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 shutting down of 3G by the end of 2021. As such, YTL Communications’ pure-4G YES network, coupled with its First-to-5G access, is well positioned to continue to attract subscribers and meet the country’s digital infrastructure needs.

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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 school 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 Government's 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.

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

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

B5. Profit Forecast

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

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INTERIM FINANCIAL REPORT

Notes – continued

B6. Profit for the period

	Current Quarter 31.12.2021 RM'000	Period To Date 31.12.2021 RM'000
Profit for the period is stated after charging/(crediting):		
Adjustment on fair value of investment properties	(925)	(1,991)
Allowance for impairment of inventories	254	1,659
Allowance for impairment of receivables - net of reversal	12,579	41,871
Amortisation of contract costs	445	920
Amortisation of grants and contributions	(3,250)	(6,523)
Amortisation of intangible assets	16,442	35,457
Depreciation of property, plant and equipment	398,899	829,185
Depreciation of right-of-use assets	43,641	86,833
Dividend income	(777)	(1,952)
Fair value changes of financial assets	(4,893)	2,938
Gain on foreign exchange	15,856	31,362
Interest expense	385,828	765,138
Interest income	(18,500)	(42,896)
Net gain on disposal of property, plant and equipment	(35,434)	(42,892)
Property, plant and equipment written off	4,105	9,202
	<u>4,105</u>	<u>9,202</u>

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

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.12.2021 RM'000	Period To Date 31.12.2021 RM'000
In respect of current period		
- Income tax	58,780	174,461
- Deferred tax	19,844	51,582
	<u>78,624</u>	<u>226,043</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.

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B8. Corporate Developments

Corporate Proposals Announced and Pending Completion

As at the date of this report, being the latest practicable date, there are no corporate proposals announced and pending completion, save for the following:-.

- (a) On 12 March 2020, YTL Power 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.

Approvals/consents for the proposed acquisition have been received from the Energy Market Authority of Singapore and the Public Utilities Board of Singapore. Completion is now conditional inter alia on the completion of financing arrangements, which is currently pending.

- (b) On 8 February 2022, YTL Power and YTL Power Investments Limited (“YTLPIIL”), a wholly-owned indirect subsidiary of YTL Power, entered into a share purchase agreement with Australian Utilities Pty Ltd as trustee of Australian Utilities Trust (“Buyer”) pursuant to which YTLPIIL has agreed to sell, and the Buyer has agreed to buy, 3,350 fully paid ordinary shares comprising a 33.5% equity interest in ElectraNet Pty Ltd (“ElectraNet”), 3,300 shareholder loan notes and 2,550 preferred loan notes issued by ElectraNet to YTLPIIL under a loan note facility agreement and 26,278,794 subsidiary shareholder loan notes issued by ElectraNet Transmission Investments Pty Ltd, a wholly-owned subsidiary of ElectraNet, to YTLPIIL under a loan note facility agreement, for a total sale consideration of AUD1,026,000,000.00 (“Proposed Disposal”). The Proposed Disposal is currently pending completion.

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Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 31 December 2021 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current			
Bankers' acceptances	-	80,778	80,778
Bank overdrafts	-	3,075	3,075
Hire purchase creditors	959	-	959
Revolving credit	76,000	2,339,196	2,415,196
Term loans	271,433	8,025,593	8,297,026
Bonds	-	910,000	910,000
	<u>348,392</u>	<u>11,358,642</u>	<u>11,707,034</u>
Non-current			
Hire purchase creditors	1,008	-	1,008
Revolving credit	129,630	2,151,651	2,281,281
Term loans	2,233,472	7,278,259	9,511,731
Bonds	-	20,204,951	20,204,951
	<u>2,364,110</u>	<u>29,634,861</u>	<u>31,998,971</u>
Total borrowings	<u>2,712,502</u>	<u>40,993,503</u>	<u>43,706,005</u>

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

	Foreign	RM
	Currency	Equivalents
	'000	'000
US Dollar	469,509	1,960,670
Singapore Dollar	2,042,081	6,309,213
Sterling Pound	2,562,079	14,440,133
Japanese Yen	18,366,225	666,437
Thai Baht	1,991,835	249,001
Australia Dollar	489,592	1,482,925
Euro	280	1,323
		<u>25,109,702</u>

Save for the borrowings of RM247.1 million, US Dollar 220.0 million, Sterling Pound 87.8 million, Yen 8.0 billion and Euro 0.27 million by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

INTERIM FINANCIAL REPORT

Notes – continued

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

(a) Derivatives Financial Instruments

As at 31 December 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	1,413,030	112,057
- 1 year to 3 years	162,572	11,841
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,444,469	(1,606)
- 1 year to 3 years	274,362	(419)
- More than 3 years	-	-
<u>Electricity futures</u>		
- Less than 1 year	119,318	(129,144)
- 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 gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 31 December 2021 are as follows:-

Type of financial liabilities	Basis of fair value measurement	Reason for the (loss)/gain	Fair value (loss)/gain	
			Current Quarter 31.12.2021 RM'000	Period to date 31.12.2021 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 in favour of the Group	22	1
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	318	487
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 unfavourably against the Group	(433)	-
Total			(93)	488

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INTERIM FINANCIAL REPORT

Notes: - continued

B11. Material litigation

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

B12. Dividend

No dividend has been declared for the current financial quarter.

B13. Earnings Per Share

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 for the financial quarter/period by the weighted average number of ordinary shares in issue during the financial quarter/period as set out below:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	6 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the parent (RM'000)	2,037	16,094	107,259	17,387
Weighted average number of ordinary shares ('000)	10,964,088	10,641,956	10,964,088	10,645,906
Earnings per share Basic (Sen)	0.02	0.15	0.98	0.16

By Order of the Board
 HO SAY KENG
 Secretary

Kuala Lumpur
 Dated: 24 February 2022