

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

Interim Financial Report
30 June 2021

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

Interim Financial Report
30 June 2021

	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 9
Notes to the Interim Financial Report	10 - 32

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

INTERIM FINANCIAL REPORT

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

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	12 Months Ended	
			30.06.2021 RM'000	30.06.2020 RM'000
Revenue	4,365,875	3,536,429	17,356,196	19,178,449
Cost of sales	<u>(3,712,117)</u>	<u>(3,127,573)</u>	<u>(14,104,531)</u>	<u>(15,594,783)</u>
Gross profit	653,758	408,856	3,251,665	3,583,666
Other operating income	730,085	292,894	988,754	623,644
Other operating expenses	<u>(983,522)</u>	<u>(367,596)</u>	<u>(2,442,490)</u>	<u>(2,184,468)</u>
Profit from operations	400,321	334,154	1,797,929	2,022,842
Finance costs	(391,369)	(414,818)	(1,555,322)	(1,860,747)
Share of results of associated companies and joint ventures	<u>101,209</u>	<u>(54,858)</u>	<u>395,916</u>	<u>257,199</u>
Profit/(loss) before taxation	110,161	(135,522)	638,523	419,294
Taxation	<u>(665,250)</u>	<u>(185,697)</u>	<u>(966,004)</u>	<u>(414,636)</u>
(Loss)/profit for the period/year	<u><u>(555,089)</u></u>	<u><u>(321,219)</u></u>	<u><u>(327,481)</u></u>	<u><u>4,658</u></u>
Attributable to:-				
Owners of the parent	(408,505)	(251,592)	(368,688)	(189,221)
Non-controlling interests	<u>(146,584)</u>	<u>(69,627)</u>	<u>41,207</u>	<u>193,879</u>
(Loss)/profit for the period/year	<u><u>(555,089)</u></u>	<u><u>(321,219)</u></u>	<u><u>(327,481)</u></u>	<u><u>4,658</u></u>
Loss per share				
Basic (Sen)	<u><u>(3.84)</u></u>	<u><u>(2.38)</u></u>	<u><u>(3.47)</u></u>	<u><u>(1.78)</u></u>
Diluted (Sen)	<u><u>(3.84)</u></u>	<u><u>(2.38)</u></u>	<u><u>(3.47)</u></u>	<u><u>(1.78)</u></u>

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	12 Months Ended	
			30.06.2021 RM'000	30.06.2020 RM'000
(Loss)/profit for the period/year	<u>(555,089)</u>	<u>(321,219)</u>	<u>(327,481)</u>	<u>4,658</u>
Other comprehensive income/(loss) :-				
<i>Items that will not be reclassified subsequently to income statement:-</i>				
- re-measurement of post-employment benefit obligations	354,633	(183,829)	354,633	(183,829)
- financial assets at fair value through other comprehensive income	(6,281)	(26,762)	(96,718)	(35,344)
- foreign currency translation	(22,306)	143,675	202,755	(5,302)
<i>Items that may be reclassified subsequently to income statement:-</i>				
- cash flow hedges	106,309	336,596	453,630	(149,487)
- share of other comprehensive (loss)/income of associated company	(3,318)	(256,748)	13,098	(256,748)
- foreign currency translation	<u>(102,828)</u>	<u>166,618</u>	<u>267,974</u>	<u>(17,419)</u>
Other comprehensive income/(loss) for the period/year, net of tax	<u>326,209</u>	<u>179,550</u>	<u>1,195,372</u>	<u>(648,129)</u>
Total comprehensive (loss)/income for the period/year	<u><u>(228,880)</u></u>	<u><u>(141,669)</u></u>	<u><u>867,891</u></u>	<u><u>(643,471)</u></u>
Attributable to :-				
Owners of the parent	(265,128)	(288,838)	265,983	(657,305)
Non-controlling interests	<u>36,248</u>	<u>147,169</u>	<u>601,908</u>	<u>13,834</u>
Total comprehensive (loss)/income for the period/year	<u><u>(228,880)</u></u>	<u><u>(141,669)</u></u>	<u><u>867,891</u></u>	<u><u>(643,471)</u></u>

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at	As at
	30.06.2021	30.06.2020
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	32,317,106	30,499,583
Right of use assets	1,500,738	1,636,035
Investment properties	1,971,143	1,811,126
Investment in associated companies and joint ventures	4,375,597	4,382,017
Investments	305,206	404,911
Development expenditure	1,056,364	1,128,221
Intangible assets	8,478,714	8,631,094
Trade, other receivables and contract assets	1,845,419	1,421,410
Derivative financial instruments	26,461	10,585
	<u>51,876,748</u>	<u>49,924,982</u>
Current Assets		
Inventories	989,703	2,184,363
Property development costs	321,238	140,857
Trade, other receivables and contract assets	3,910,122	3,432,600
Derivative financial instruments	263,719	74,259
Income tax assets	183,060	134,459
Investments	2,473,454	2,301,989
Amount due from related parties	86,275	53,694
Fixed deposits	11,520,059	10,396,221
Cash and bank balances	2,149,970	1,265,011
	<u>21,897,600</u>	<u>19,983,453</u>
TOTAL ASSETS	<u><u>73,774,348</u></u>	<u><u>69,908,435</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited As at 30.06.2021 RM'000	Audited As at 30.06.2020 RM'000
EQUITY		
Share capital	3,467,555	3,467,555
Other reserves	851,460	512,535
Retained profits	8,490,289	8,982,083
Less : Treasury shares, at cost	<u>(54,451)</u>	<u>(501,837)</u>
Equity Attributable to Owners of the Parent	<u>12,754,853</u>	<u>12,460,336</u>
Non-Controlling Interests	<u>3,538,537</u>	<u>3,149,593</u>
TOTAL EQUITY	<u>16,293,390</u>	<u>15,609,929</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other contract liabilities	1,453,418	1,288,626
Bonds & borrowings	35,694,970	32,248,322
Lease liabilities	1,390,604	1,447,352
Grants and contributions	693,331	596,669
Deferred tax liabilities	3,067,901	2,164,004
Post-employment benefit obligations	481,745	910,898
Derivative financial instruments	713	15,401
	<u>42,782,682</u>	<u>38,671,272</u>
Current Liabilities		
Trade, other payables and other contract liabilities	4,838,908	3,678,272
Derivative financial instruments	34,074	174,944
Amount due to related parties	38,355	39,212
Bonds & borrowings	9,366,078	11,317,556
Lease liabilities	91,626	176,495
Income tax liabilities	159,925	98,873
Provision for liabilities and charges	<u>169,310</u>	<u>141,882</u>
	<u>14,698,276</u>	<u>15,627,234</u>
TOTAL LIABILITIES	57,480,958	54,298,506
TOTAL EQUITY AND LIABILITIES	<u>73,774,348</u>	<u>69,908,435</u>
Net Assets per share (RM)	<u>1.16</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

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

Group	← Attributable to Owners of the Parent →				Total RM'000	Non- Controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2020	3,467,555	8,982,083	(501,837)	512,535	12,460,336	3,149,593	15,609,929
(Loss)/profit for the year	-	(368,688)	-	-	(368,688)	41,207	(327,481)
Other comprehensive income	-	197,070	-	437,601	634,671	560,701	1,195,372
Total comprehensive (loss)/income for the year	-	(171,618)	-	437,601	265,983	601,908	867,891
Changes in composition of the Group	-	28,860	-	-	28,860	58,110	86,970
Dividends paid	-	-	-	-	-	(271,074)	(271,074)
Purchase of treasury shares	-	-	(30,314)	-	(30,314)	-	(30,314)
Share dividend	-	(477,700)	477,700	-	-	-	-
Share option expenses	-	-	-	13,512	13,512	-	13,512
Share option lapsed	-	-	-	(91,580)	(91,580)	-	(91,580)
Subsidiary's share option lapsed	-	128,664	-	(20,608)	108,056	-	108,056
At 30 June 2021	<u>3,467,555</u>	<u>8,490,289</u>	<u>(54,451)</u>	<u>851,460</u>	<u>12,754,853</u>	<u>3,538,537</u>	<u>16,293,390</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 2019	3,340,111	9,466,735	(472,793)	907,066	13,241,119	7,597,274	20,838,393
(Loss)/profit for the year	-	(189,221)	-	-	(189,221)	193,879	4,658
Other comprehensive loss	-	(101,908)	-	(366,176)	(468,084)	(180,045)	(648,129)
Total comprehensive (loss)/income for the year	-	(291,129)	-	(366,176)	(657,305)	13,834	(643,471)
Changes in composition of the Group	-	311,615	-	-	311,615	(3,820,251)	(3,508,636)
Conversion of ICULS	-	(79,524)	-	(46,825)	(126,349)	-	(126,349)
Dividends paid	-	(426,770)	-	-	(426,770)	(641,264)	(1,068,034)
Issue of share capital	127,444	-	-	-	127,444	-	127,444
Purchase of treasury shares	-	-	(29,044)	-	(29,044)	-	(29,044)
Share options expenses	-	-	-	19,343	19,343	-	19,343
Share option lapsed	-	527	-	(527)	-	-	-
Subsidiary's share option lapsed	-	629	-	(346)	283	-	283
At 30 June 2020	<u>3,467,555</u>	<u>8,982,083</u>	<u>(501,837)</u>	<u>512,535</u>	<u>12,460,336</u>	<u>3,149,593</u>	<u>15,609,929</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

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

	12 Months Ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	638,523	419,294
Adjustment for :-		
Adjustment on fair value of investment properties	(19,437)	12,808
Amortisation of contract costs	3,043	7,842
Amortisation of deferred income	(5,924)	(5,209)
Amortisation of grants and contributions	(18,487)	(15,166)
Amortisation of intangible assets	79,506	69,606
Depreciation of property, plant and equipment	1,652,663	1,554,423
Depreciation of right-of-use assets	170,952	193,895
Dividend income	(19,348)	(10,083)
Fair value changes of derivatives	-	16,765
Fair value changes of financial assets	374,687	(25,976)
Gain on disposal/derecognition of subsidiaries	(447,925)	(258,506)
Gain on disposal of investments	(28,485)	(1,172)
Impairment loss	116,840	184,115
Interest expense	1,555,322	1,860,747
Interest income	(169,758)	(279,072)
Inventories written down	2,157	43,744
Investment properties written off	8,916	7,675
Net gain on disposal of property, plant and equipment	(43,604)	(18,739)
Property, plant and equipment written off	18,347	51,896
Prospective expenditure written off	4,807	8,175
Provision for post-employment benefits	60,913	43,790
Write back of liabilities and charges	(7,304)	(4,437)
Share option expenses	15,063	21,637
Share of results of associated companies and joint ventures	(395,916)	(257,199)
Unrealised gain on foreign exchange	(36,814)	(96,052)
Other non cash items	(1,752)	7,952
Operating profit before changes in working capital	3,506,985	3,532,753

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

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

INTERIM FINANCIAL REPORT

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

	12 Months Ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Changes in working capital:-		
Inventories	228,120	638,001
Property development costs	(113,462)	481
Receivables, deposits and prepayments	(881,273)	650,974
Payables and accrued expenses	1,163,787	(312,633)
Related parties balances	(33,438)	(11,948)
Cash generated from operations	<u>3,870,719</u>	<u>4,497,628</u>
Dividend received	476,024	399,216
Interest paid	(1,269,547)	(1,723,489)
Interest received	169,788	311,049
Payment to a retirement benefits scheme	(133,523)	(129,759)
Income tax paid	(274,356)	(311,942)
Net cash from operating activities	<u>2,839,105</u>	<u>3,042,703</u>
Cash flows from investing activities		
Acquisition of subsidiaries	(279)	(1,700)
Additional investment in associated company	(23,984)	(19,253)
Development expenditure incurred	(26,789)	(92,311)
Grants received in respect of infrastructure assets	54,283	49,342
Net decrease/(increase) in deposits maturing more than 90 days	544,576	(519,204)
(Net placement)/Maturities of income funds	(301,958)	176,000
Proceeds from disposal of property, plant & equipment	86,734	42,521
Proceeds from disposal of investments	223,263	238,148
Net proceeds from/derecognition of subsidiaries	467,813	(245,871)
Proceeds from finance lease receivables	4,766	4,129
Purchase of intangible assets	(31,108)	(175,368)
Purchase of investment properties	(8,056)	(559,216)
Purchase of investments	(914)	(265,855)
Purchase of property, plant & equipment	(1,813,266)	(1,579,690)
Purchase of right-of-use assets	(7,433)	-
Shareholder loans	(80,808)	(94,651)
Net cash used in investing activities	<u>(913,160)</u>	<u>(3,042,979)</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

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

	12 Months Ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	-	(426,770)
Dividend paid to non-controlling interests by subsidiaries	(271,074)	(641,264)
Repurchase of own shares by the company (at net)	(30,314)	(29,044)
Repurchase of subsidiaries' shares by subsidiaries	(38,047)	(2)
Proceeds from bonds	2,407,070	1,312,199
Proceeds from borrowings	1,070,218	5,514,829
Proceeds from issue of shares in subsidiary to non-controlling interests	237,150	-
Repayment of bonds	-	(10,000)
Repayment of borrowings	(2,821,146)	(6,097,544)
Repayment of lease liabilities	(268,106)	(429,879)
Net cash from/(used in) financing activities	<u>285,751</u>	<u>(807,475)</u>
Net changes in cash and cash equivalents	2,211,696	(807,751)
Effects of exchange rate changes	332,216	143,990
Cash and cash equivalents at beginning of the financial year	<u>11,100,066</u>	<u>11,763,827</u>
Cash and cash equivalents at end of the financial year	<u>13,643,978</u>	<u>11,100,066</u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	11,520,059	10,396,221
Cash and bank balances	2,149,970	1,265,011
Deposits with maturity 90 days and more	-	(516,019)
Bank overdraft	(26,051)	(45,147)
	<u>13,643,978</u>	<u>11,100,066</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 2020 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 2020.

A1. Accounting Policies and Methods of Computation

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

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2020.

The adoption of MFRSs, amendments to MFRSs and IC interpretation which were effective for financial year beginning on or after 1 July 2020 do not have significant financial impact to the Group.

A2. Seasonality or Cyclicity of Operations

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

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	12 Months Ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Utilities				
Sale of electricity	1,598,839	1,198,394	5,876,292	5,837,626
Sale of clean water, treatment and disposal of waste water	1,054,506	855,178	3,772,223	3,479,290
Sale of steam	50,342	35,118	182,630	171,900
Broadband and telecommunications revenue	182,201	93,508	526,973	396,858
Others	69,389	63,400	216,146	389,427
	<u>2,955,277</u>	<u>2,245,598</u>	<u>10,574,264</u>	<u>10,275,101</u>

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

INTERIM FINANCIAL REPORT

Notes: - continued

A3. Disaggregation of revenue – continued

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	12 Months Ended	
			30.06.2021 RM'000	30.06.2020 RM'000
Cement and building materials industry				
Sale of cement and related products	844,562	512,326	4,076,215	4,077,724
Others	1,821	1,736	16,049	14,479
	<u>846,383</u>	<u>514,062</u>	<u>4,092,264</u>	<u>4,092,203</u>
Construction				
Construction contracts revenue	<u>165,151</u>	<u>587,187</u>	<u>1,514,505</u>	<u>2,316,005</u>
Hotel operations				
Hotel room and food and beverages	119,082	69,100	430,619	1,113,986
Others	2,068	1,207	8,054	18,529
	<u>121,150</u>	<u>70,307</u>	<u>438,673</u>	<u>1,132,515</u>
Property				
Property development projects	161,451	41,770	233,959	478,046
Sale of land held for property development	-	-	26,501	-
Others	3,494	3,945	14,564	17,213
	<u>164,945</u>	<u>45,715</u>	<u>275,024</u>	<u>495,259</u>
Information technology & e-commerce related business				
Media and advertising services	507	202	3,175	3,500
Others	1	3	37	41
	<u>508</u>	<u>205</u>	<u>3,212</u>	<u>3,541</u>
Management services & others				
Operation and maintenance services	18,594	11,445	72,684	101,250
Food and beverages operations	1,027	790	3,858	14,659
Others	26,125	12,219	116,161	73,765
	<u>45,746</u>	<u>24,454</u>	<u>192,703</u>	<u>189,674</u>
Other sources				
Rental income	38,877	16,914	143,382	481,471
Interest income	26,830	30,275	103,358	183,887
Dividend income	1,008	1,712	18,811	8,793
	<u>66,715</u>	<u>48,901</u>	<u>265,551</u>	<u>674,151</u>
Total revenue	<u><u>4,365,875</u></u>	<u><u>3,536,429</u></u>	<u><u>17,356,196</u></u>	<u><u>19,178,449</u></u>

INTERIM FINANCIAL REPORT

Notes: - continued

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.

A5. Changes in estimates of amounts reported

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

A6. Changes in Debt and Equity Securities

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

During the current financial quarter and financial year to date, the Company repurchased 1,000 and 40,750,100 ordinary shares from the open market for a total consideration of RM719 and RM30,314,023, respectively. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

During the current financial year, a total of 354,982,768 treasury shares amounting to RM477,700,310.90 were distributed on 12 November 2020 to the shareholders on the basis of one (1) treasury shares for every 30 ordinary shares held as at 28 October 2020.

As at 30 June 2021, the number of treasury shares held was 58,6732,950 ordinary shares.

A7. Dividend paid

There was no dividend paid during the current financial quarter/year.

A8. Segmental Information

The Group has seven reportable segments as described below:

- (a) Construction
- (b) Information technology & e-commerce related business
- (c) Cement and building materials industry
- (d) Property investment & development
- (e) Management services & others
- (f) Hotel operations
- (g) 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.

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

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Information - continued

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

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

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement and building materials industry RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	1,514,505	3,212	4,093,703	431,590	303,698	435,224	10,574,264	-	17,356,196
Inter-segment revenue	54,756	3,211	23,968	115,167	221,398	6,921	18,853	(444,274)	-
Total revenue	<u>1,569,261</u>	<u>6,423</u>	<u>4,117,671</u>	<u>546,757</u>	<u>525,096</u>	<u>442,145</u>	<u>10,593,117</u>	<u>(444,274)</u>	<u>17,356,196</u>
Segment results									
Profit/(loss) from operations	235,294	(2,158)	738,086	(250,030)	328,083	(116,954)	865,608	-	1,797,929
Finance costs									(1,555,322)
									242,607
Share of profit of associated companies & joint ventures									395,916
Profit before taxation									<u>638,523</u>
Finance costs									1,555,322
Depreciation and amortisation									1,881,753
EBITDA *									<u><u>4,075,598</u></u>

* Included a fair value loss of RM355.3 million, impairment loss of RM116.8 million and inventories written down of RM2.2 million .

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

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Information - continued

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

The Group's segmental result for the financial year ended 30 June 2020 is as follows:-

	Construction RM'000	Information technology & e-commerce related business 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	2,316,005	3,541	4,095,174	995,254	371,709	1,121,665	10,275,101	-	19,178,449
Inter-segment revenue	29,509	4,820	22,658	211,727	240,993	12,481	66,423	(588,611)	-
Total revenue	<u>2,345,514</u>	<u>8,361</u>	<u>4,117,832</u>	<u>1,206,981</u>	<u>612,702</u>	<u>1,134,146</u>	<u>10,341,524</u>	<u>(588,611)</u>	<u>19,178,449</u>
Segment results									
Profit from operations	<u>199,880</u>	<u>43</u>	<u>237,041</u>	<u>161,530</u>	<u>835,794</u>	<u>115,462</u>	<u>473,092</u>	<u>-</u>	<u>2,022,842</u>
Finance costs									<u>(1,860,747)</u>
									162,095
Share of profit of associated companies & joint ventures									<u>257,199</u>
Profit before taxation									<u>419,294</u>
Finance costs									1,860,747
Depreciation and amortisation									<u>1,805,391</u>
EBITDA *									<u><u>4,085,432</u></u>

* Included a fair value loss of RM3.6 million, impairment loss of RM184.1 million and inventories written down of RM43.7 million.

INTERIM FINANCIAL REPORT

Notes: - continued

A9. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 30 June 2021, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

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

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

- On 19 October 2020, Ben Tre Fico-YTL Cement Limited (“Ben Tre Fico”) was incorporated as a wholly-owned subsidiary of FICO Tay Ninh Cement Joint Stock Company, an indirect subsidiary of YTL Cement Berhad (“YTL Cement”). Ben Tre Fico will be principally involved in manufacture and sale of ordinary portland cement and blended cement. As a result, Ben Tre Fico became an indirect subsidiary of YTL Cement and the Company.
- On 27 November 2020, Dials At Brabazon Management Company Limited (“Dials At Brabazon”) and Navigator At Brabazon Management Company Limited (“Navigator At Brabazon”) were incorporated as wholly-owned subsidiaries of YTL Homes Limited, an indirect wholly-owned subsidiary of YTL Power. As a result, Dials At Brabazon and Navigator At Brabazon became indirect wholly-owned subsidiaries of YTL Power and the Company.

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

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

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

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

INTERIM FINANCIAL REPORT

Notes: - continued

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

On 15 April 2021, YTL Arena (Filton) transferred its entire equity interest held in YTL Arena to YTL Arena Holdings Limited. As a result, YTL Arena was re-organised to be a wholly-owned subsidiary of YTL Arena Holdings and remain an indirect wholly-owned subsidiary of YTL Power and the Company.

- On 3 April 2021, YTL Arena Holdings Limited (“YTL Arena Holdings”) was incorporated as a wholly-owned subsidiary of YTL L&P UK. As a result, YTL Arena Holdings became an indirect wholly-owned subsidiary of YTL Power and the Company.

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

- On 8 April 2021, Wessex Water Limited (“Wessex Water”), an indirect wholly-owned subsidiary of YTL Power, acquired the remaining 49% equity interest, comprising 49 A ordinary shares of GBP0.01 each in Albion Water Limited (“Albion Water”), at a purchase price of GBP1.00. As a result, Albion Water became a wholly-owned subsidiary of Wessex Water and indirect wholly-owned subsidiary of YTL Power and the Company.
- On 27 April 2021, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of YTL Cement disposed its 600,000,000 ordinary shares of RMB1.00 each in ZheJiang Hangzhou Dama Cement Co., Ltd. (“Dama Cement”). As a result of the disposal, Dama Cement ceased to be subsidiary of YTL Cement (Hong Kong) Limited and indirect subsidiary of YTL Cement and the Company.
- On 28 April 2021, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as YTL Damansara 3 Sdn Bhd (“YTL Damansara”) with an issued share capital of RM1.00 comprising 1 ordinary share. YTL Damansara will be principally involved in property investment and development.
- On 4 May 2021, Global Infrastructure Assets Sdn Bhd (“Global Infrastructure Assets”), a wholly-owned subsidiary of YTL Infrastructure Holdings Sdn Bhd (“YTL Infrastructure”), increased its share capital from RM1.00 to RM1,000,000 via an issuance of 699,999 ordinary shares to YTL Infrastructure and 300,000 ordinary shares to Serbanika Infrastructure Holdings Sdn Bhd, at an issue price of RM1.00 per share in cash.

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

- On 7 May 2021, YTL Power incorporated a wholly-owned subsidiary known as YTL Digital Capital Sdn Bhd (“YTL DC”) with an issued share capital of RM1.00 comprising 1 ordinary share. YTL DC will be principally involved in investment holding.

INTERIM FINANCIAL REPORT

Notes: - continued

- On 28 June 2021, YTL Land & Development Berhad (“YTL Land”), a subsidiary of the Company disposed its 1,000,000 ordinary shares of SGD1.00 each in YTL Westwood Properties Pte. Ltd. (“YTL Westwood”). As a result of the disposal, YTL Westwood ceased to be subsidiary of YTL Land and indirect subsidiary of the Company.

A10. Changes in Contingent Liabilities or Contingent Assets

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

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 :-

- 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, has been placed under 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, which is inactive and has no intention to carry on business or operations in the future, has been placed under member’s voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes: - continued

A12. Fair value measurement

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

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

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2021				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	42	-	42
- Income funds	-	2,486,463	-	2,486,463
- Equity investments	12,342	6,483	-	18,825
Derivative used for hedging	-	290,138	-	290,138
Financial assets at fair value through other comprehensive income	24,616	45	248,711	273,372
	<u>36,958</u>	<u>2,783,171</u>	<u>248,711</u>	<u>3,068,840</u>
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	39	-	39
Derivative used for hedging	-	34,748	-	34,748
	<u>-</u>	<u>34,787</u>	<u>-</u>	<u>34,787</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes: - continued

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

B1. Review of Performance

	Individual Quarter		Variance	Cumulative Quarter		Variance
	30.06.2021	30.06.2020	%	30.06.2021	30.06.2020	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
Revenue						
Construction	165,151	587,187	-72%	1,514,505	2,316,005	-35%
Information technology & e-commerce related business	508	205	148%	3,212	3,541	-9%
Cement and building materials industr	846,548	514,900	64%	4,093,703	4,095,174	0%
Property investment & development	213,805	64,298	233%	431,590	995,254	-57%
Management services & others	65,808	54,885	20%	303,698	371,709	-18%
Hotels	118,778	69,356	71%	435,224	1,121,665	-61%
Utilities	2,955,277	2,245,598	32%	10,574,264	10,275,101	3%
	<u>4,365,875</u>	<u>3,536,429</u>		<u>17,356,196</u>	<u>19,178,449</u>	
Profit/(loss) before taxation						
Construction	53,229	25,713	107%	228,051	194,681	17%
Information technology & e-commerce related business	(422)	(2,121)	80%	(2,159)	41	-5366%
Cement and building materials industr	261,340	(61,552)	525%	562,648	(2,468)	22898%
Property investment & development	(238,750)	(329,442)	28%	(364,455)	(282,769)	-29%
Management services & others	(81,488)	227,231	-136%	(252,810)	179,628	-241%
Hotels	645	(21,195)	103%	(148,098)	96,563	-253%
Utilities	115,607	25,844	347%	615,346	233,618	163%
	<u>110,161</u>	<u>(135,522)</u>		<u>638,523</u>	<u>419,294</u>	

For the current financial quarter under review, the Group revenue was RM4,365.9 million as compared to RM3,536.4 million, recorded in the preceding year corresponding quarter. The Group recorded a profit before tax of RM110.2 million for the current financial quarter. This represents an increase of RM245.7 million or 181.3% as compared to a loss of RM135.5 million recorded in the preceding year corresponding quarter.

For the current financial year under review, the Group revenue was at RM17,356.2 million as compared to RM19,178.4 million, recorded in the preceding financial year ended 30 June 2020. The Group profit before taxation for the current financial year stood at RM638.5 million. This represents an increase of RM219.2 million or 52.3% as compared to a profit of RM419.3 million recorded in the preceding year.

INTERIM FINANCIAL REPORT

Notes – continued

Since the outbreak of Covid-19, the countries which the Group has operations have imposed different level of restrictions to contain the spread of the virus and in Malaysia a nationwide full movement control order was imposed on 1 June 2021 following a rise in Covid-19 cases across the country. The direct impact of the Covid-19 pandemic is reflected in the performance of the respective operating business segments for the financial quarter/year ended 30 June 2021 as compared to the preceding year corresponding quarter/year are analysed as follows:

Construction

For the current financial quarter/year under review, the decrease in revenue was principally due to the lower progress of the construction works. Despite the lower revenue, the increase in profit before tax was mainly due to lower contract expenses incurred.

Information technology & e-commerce related business

For the current financial quarter under review, the increase in revenue was primarily attributable to higher revenue recorded by the content and digital media division. However, the reduction in loss before tax was mainly due to the absence of an impairment loss on goodwill.

For the current financial year under review, the lower revenue was primarily due to the lower revenue recorded by the content and digital media division following the impact of Covid-19 pandemic. However, the loss before tax was mainly due to fair value loss on investment, lower interest income earned from cash deposits and lower revenue as mentioned above.

Cement and building materials industry

For the current financial quarter under review, the significant increase in revenue was attributable to increase in selling price and volume from all divisions. The increase in profit before tax was mainly attributable to a gain from disposal of cement operation in China and the increase of selling price and volume in Cement business coupled with lower finance costs.

For the current financial year under review, the revenue decreased marginally due to lower demand in the Concrete business. Despite the lower revenue, the significant increase in profit before tax was mainly due to the reasons as mentioned above.

Property investment & development

For the current financial quarter under review, the increase in revenue was mainly due to higher sales recorded in the 3-Orchard By-The-Park project undertaken by YTL Westwood and Brabazon project undertaken by YTL Property Holdings (UK) Ltd. (“YTL Property UK”). However, the reduction in loss before tax was mainly due to a fair value gain on investment properties recorded by YTL Property UK.

For the current financial year under review, the decrease in revenue was mainly due to the deconsolidation of the results of Starhill Global Real Investment Trust (“SGREIT”) and lower sales recorded in The Fennel project undertaken by Sentul Raya Sdn. Bhd. and the 3-Orchard By-The-Park project undertaken by YTL Westwood. However, the loss before tax was mainly due to an impairment loss on vendor notes issued by YTL Westwood and lower unrealised foreign exchange gain on borrowings denominated in foreign currencies recorded by YTL Hospitality REIT and was partially offset by higher share of profits from SGREIT and the fair value gain on investment properties as mentioned above.

INTERIM FINANCIAL REPORT

Notes – continued

Management services & others

For the current financial quarter under review, increase in revenue was mainly due to higher distribution income received from investment in a fund by a foreign subsidiary of the Company. Despite the higher revenue, the loss before tax was principally attributable to the contribution to a corporate social responsibility programme and the absence of one-off gain on derecognition of SGREIT.

For the current financial year under review, decrease in revenue was mainly due to lower interest income recorded by YTL Power. However, the loss before tax was mainly due to the reasons as mentioned above.

Hotels

For the current financial quarter under review, the increase in revenue was mainly due to higher revenue contributed by Niseko Village K.K. in Japan, together with The Westin Perth, Brisbane Marriott, Sydney Harbour Marriott and Melbourne Marriott in Australia. However, the improvement in profit before tax was mainly due to unrealised foreign exchange gain on inter-company balances.

For the current financial year under review, this segment recorded a decrease in revenue and loss before taxation as it was significantly impacted by the lower operating results amidst extremely challenging conditions due to the unprecedented disruption caused by the Covid-19 pandemic. Country borders in most jurisdictions in which the hospitality businesses operate were closed to foreign travellers. Seminars and meetings were restricted due to social distancing measures and adherence to standard operating procedures issued by governments in these jurisdictions.

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 recorded a lower revenue mainly due to the lower energy payment recorded while the capacity charge remains the same. However, the profit before tax was consistent with the comparative quarter.
- Multi utilities business (Merchant) division recorded higher revenue was primarily due to the higher volume of electricity sold and increase in fuel oil price. However, the improvement in profit before tax was mainly due to the higher retail margin.
- Water & sewerage division recorded higher revenue was contributed primarily by growth in the division's unregulated business. However, the increase in profit before taxation was mainly due to the lower allowance for impairment of receivables.
- 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

Utilities – continued

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

- The Power Generation (Contracted) division recorded a lower revenue mainly due to the lower energy payment recorded while the capacity charge remains the same. The lower profit before taxation was mainly due to a one-off write-down of inventories.
- Multi utilities business (Merchant) division recorded higher revenue was primarily due to the higher volume of electricity sold and increase in fuel oil price. However, profit before tax improved was mainly due to the higher retail margin, higher fuel oil tank leasing rates, lower finance costs and a recovery of impairment of receivables arising from a successful appeal against a High Court decision.
- Water & sewerage division recorded higher revenue was contributed primarily by growth in the division's in unregulated business. The lower profit before taxation was mainly due to the price reset as determined by the regulator.

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2021 RM'000	Preceding Quarter 31.03.2021 RM'000	Variance % +/-
Revenue	4,365,875	4,219,794	3%
Profit before taxation	110,161	194,664	-43%
(Loss)/Profit after taxation	(555,089)	93,460	-694%

The increase in revenue as compared to the preceding quarter was primarily attributable to the better performance in Property investment & development, Management services & others, Hotels and Utilities segments. The loss after taxation in the current quarter was due to the recognition of deferred tax expenses arising from the increase in UK Corporation Tax rate from 19% to 25% with effect from 1 April 2023 as disclosed in Note B7.

B3. Audit Report of the preceding financial year ended 30 June 2020

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

INTERIM FINANCIAL REPORT

Notes – continued

B4. Prospects

Globally, businesses are facing unprecedented social and economic challenges following 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. However, 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 as well as the Construction and Cement segments which re-commenced in stages as permitted where operations have normalised.

Furthermore, the ongoing progress in vaccine development and recent commencement of vaccination programmes in most countries where the Group operates, including the roll-out of Malaysia's programme, are vital developments, providing the pathway for a return to normalcy and economic recovery.

Construction

Since the imposition of the Full Movement Control Order ("FMCO") and followed by phases of National Recovery Plan ("PPN"), construction operations have faced disruption in the supply chains and restrictions in the operational sites. With the speedy vaccination programme implemented to revive the industry, management has been proactive in taking actions to ensure construction work in progress is on track and has also implemented stringent cost control measures.

Notwithstanding, this segment is expected to contribute positively based on its current order book.

Information technology & e-commerce related business

This segment whose contribution is insignificant to the Group will have minimal impact to the Group's prospects even when the economy recovers from the Covid-19 pandemic.

Cement and building materials industry

Construction activities and the corresponding demand of building materials were further impacted by the Enhanced Movement Control Order from 3 to 16 July 2021 in 8 districts in Selangor and several localities in Kuala Lumpur, and with most States continuing to have strict movement restrictions. The National Recovery Plan, a four-phase exit strategy from the Covid-19 crisis was announced on 15 June 2021 and the actions undertaken under the Plan is expected to bring about a recovery to the economy and the construction sector in the medium to longer term.

The Group maintains its views that the solid dynamics of its main markets remain intact and is confident that the key growth drivers e.g. infrastructure requirements and demand for housing from urbanisation, will continue to underpin demand growth in the longer term.

Property investment & development

As a result of the unprecedented Covid-19 pandemic, it is not possible to forecast with any accuracy at this stage how the Covid-19 pandemic will impact the property market and consumer demand for property products. Notwithstanding, the Group will continue to embark on marketing efforts and initiatives to unlock sales as well as undertake project launches.

INTERIM FINANCIAL REPORT

Notes – continued

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 roll-out of vaccination programmes in many countries in the past few months bodes well for the recovery of the global tourism and hospitality industry. In the near term, demand is expected to come from the substitution of international travel with local travel due to restrictions on overseas travel when inter-state travel restrictions are lifted.

Utilities

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 with PT PLN (Persero), Indonesia’s state-owned electric utility company, amended and restated in December 2015 and March 2018. In February 2020, TJPC obtained the Business Viability Guarantee Letter from the Ministry of Finance of the Republic of Indonesia and is working towards achieving financial close.

The 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). Construction has commenced on the project with commercial operations for the first unit scheduled to commence in the middle of the calendar year 2020 and the second unit in the last quarter of the calendar year 2020. However, the global Covid-19 pandemic has led to a delay in the project due to travel and movement restrictions imposed by the Government of Jordan with commercial operations for both units now expected to be in the latter part of the second half of the calendar year 2021. APCO has invoked the force majeure provisions under the Power Purchase Agreement with NEPCO. As the effects of Covid-19 are still on-going, the force majeure provisions are still in effect.

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

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

The proposed acquisition of Tuaspring announced on 12 March 2020 which is currently pending completion is a logical extension of the Group’s existing multi utilities operations. The power plant and associated assets of Tuaspring, which is the newest combined cycle power plant in Singapore, will, upon completion, be integrated into existing businesses and expected to contribute positively to the future earnings of the Group. The proposed acquisition was approved by the Energy Market Authority of Singapore (EMA) in May 2020; completion is now conditional on the approval from the Public Utilities Board of Singapore and completion of financing.

INTERIM FINANCIAL REPORT

Notes – continued

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

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

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

In response to the Covid-19 pandemic, YTL Communications and FrogAsia in collaboration with YTL Foundation, a charitable foundation funded principally by the YTL Group, launched the Learn from Home Initiative in March 2020 to enable students to learn from home. Under the initiative, YTL Foundation provided free YES SIM cards with 40GB of data to students registered in government schools and partner tertiary education institutions and also provided free mobile phones and YES data plans to students from B40 families. Online learning resources and lessons were also provided by FrogAsia to facilitate learning from home.

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

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

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.

INTERIM FINANCIAL REPORT

Notes – continued

B5. Profit Forecast

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

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

	Current Quarter 30.06.2021 RM'000	Period To Date 30.06.2021 RM'000
Profit for the period is stated after charging/(crediting):		
Adjustment on fair value of investment properties	(19,437)	(19,437)
Allowance for impairment intangible assets	1,269	1,269
Allowance for impairment of inventories	1,385	16,649
Allowance for impairment of receivables - net of reversal	12,779	20,373
Amortisation of contract costs	541	3,043
Amortisation of deferred income	(1,811)	(5,924)
Amortisation of grants and contributions	(6,534)	(18,487)
Amortisation of intangible assets	25,441	79,506
Depreciation of property, plant and equipment	424,212	1,652,663
Depreciation of right-of-use assets	1,773	170,952
Dividend income	(1,010)	(19,348)
Fair value changes of financial assets	355,849	374,687
Interest expense	391,369	1,555,322
Interest income	(14,728)	(66,400)
Gain on foreign exchange	(85,513)	(61,055)
Gain on disposal of investments	(3,816)	(28,485)
Gain on disposal of subsidiaries	(447,925)	(447,925)
Net gain on disposal of property, plant and equipment	(30,604)	(43,604)
Property, plant and equipment written off	15,075	18,347
Write bck of liabilities and charges	(3,798)	(7,304)

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 year.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.06.2021 RM'000	Period To Date 30.06.2021 RM'000
In respect of current period/year		
- Income tax	69,961	347,022
- Deferred tax	595,289	618,982
	<u>665,250</u>	<u>966,004</u>

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

B8. Corporate 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, 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 SGD 331,452,000 to be settled as to SGD 230,000,000 in cash and SGD 101,452,000 comprising ordinary shares and loan notes amounting to 7.54% of the post-acquisition equity in YTL Utilities (S) Pte. Limited, the immediate holding company of YTL PowerSeraya Pte. Limited (“Proposed Acquisition”).

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

Corporate Proposals Announced and Pending Completion - continued

- (b) On 12 May 2021, RHB Investment Bank Berhad (“RHB Investment Bank”) announced on behalf of the Company (“Initial Announcement”) that YTL Cement, a subsidiary of the Company, has entered into a conditional share sale and purchase agreement with MCB (“SSA”), a subsidiary of YTL Cement, for the disposal of its entire equity interest in its 10 companies and their respective subsidiaries which are involved in cement and ready-mixed concrete businesses in Malaysia for a total consideration of RM5,158 million (“Sale Consideration”), subject to certain adjustments (“Proposed Disposal”).

The Sale Consideration is to be satisfied in the following manner on completion:

- (i) RM2,000 million in cash;
- (ii) RM1,408 million through the issuance of 375,506,174 new ordinary shares in MCB (“MCB Shares”) (“Consideration Shares”) at an issue price of RM3.75 per Consideration Share; and
- (iii) RM1,750 million through the issuance of 466,666,667 new irredeemable convertible preference shares in MCB (“Consideration ICPS”) at an issue price of RM3.75 per Consideration ICPS.

On 26 July 2021, RHB Investment Bank announced that YTL Cement, has entered into a supplemental letter with MCB to waive the condition precedent stipulated in the SSA in relation to obtaining the approval from Bursa Securities for MCB to have a lower public shareholding spread of 20% on completion of the Proposed Disposal pursuant to Paragraph 2.2 of Practice Note 19 of the Listing Requirements.

The waiver is made after taking into consideration that Bursa Securities has, via its letter dated 21 July 2021, granted MCB a period of six months from the listing date of the Consideration Shares to comply with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements where MCB must ensure that at least 25% of the total number of listed MCB shares are in the hands of public shareholders. As stated in the Initial Announcement, MCB’s public shareholding spread is expected to reduce to 21.37% upon listing of the Consideration Shares.

The Proposed Disposal is subject to the following approvals being obtained:

- (i) the approval of the shareholders of MCB for the Proposed Disposal at its extraordinary general meeting to be convened; and
- (ii) any other relevant authority and/or party, if required.

On 30 August 2021, the shareholders of MCB approved the Proposed Disposal.

On 3 September 2021, both the Company and MCB announced that the SSA has become unconditional. The Proposed Disposal is now pending completion.

INTERIM FINANCIAL REPORT

Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 30 June 2021 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bankers' acceptances	-	30,864	30,864
Bank overdrafts	-	26,051	26,051
ICULS *	-	1,122	1,122
Revolving credit	59,500	2,576,636	2,636,136
Term loans	147,010	3,952,972	4,099,982
Bonds	-	2,571,923	2,571,923
	<u>206,510</u>	<u>9,159,568</u>	<u>9,366,078</u>
Non-current			
ICULS *	-	2,417	2,417
Revolving credit	176,188	1,512,083	1,688,271
Term loans	1,490,184	11,757,965	13,248,149
Bonds	328,196	20,427,937	20,756,133
	<u>1,994,568</u>	<u>33,700,402</u>	<u>35,694,970</u>
Total borrowings	<u>2,201,078</u>	<u>42,859,970</u>	<u>45,061,048</u>

* Irredeemable Convertible Unsecured Loan Stock ("ICULS")

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

	Foreign Currency '000	RM Equivalents '000
US Dollar	667,471	2,772,875
Singapore Dollar	2,033,741	6,284,666
Sterling Pound	2,833,639	16,306,742
Japanese Yen	18,345,524	689,792
Thai Baht	1,990,000	257,779
Australia Dollar	486,822	1,521,416
Euro	343	1,696
		<u>27,834,966</u>

Save for the borrowings of RM241.2 million, US Dollar 220.0 million, Sterling Pound 90.8 million, Yen 8.0 billion and Euro 0.4 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 and Fair Value hierarchy

(a) Derivatives Financial Instruments

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

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil swaps</u>		
- Less than 1 year	1,161,491	250,582
- 1 year to 3 years	165,971	25,064
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,371,298	(20,936)
- 1 year to 3 years	228,301	683
- More than 3 years	-	-

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

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

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

(b) Fair Value Changes of Financial Liabilities

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

Type of financial liabilities	Basis of fair value measurement	Reason for the gain	Fair value gain	
			Current quarter 30.06.2021 RM'000	Period to date 30.06.2021 RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of the Group	9	48
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of the Group	1,404	4,667
Total			1,413	4,715

B11. Material litigation

There was no material litigation pending as at the date of this report.

B12. Dividend

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

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

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

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

INTERIM FINANCIAL REPORT

Notes: - continued

B13. Loss Per Share

i) Basic and diluted loss per share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021	Preceding Year Corresponding Quarter 30.06.2020	12 Months Ended	
			30.06.2021	30.06.2020
Loss attributable to owners of the parent (RM'000)	(408,505)	(251,592)	(368,688)	(189,221)
<i>Weighted average number of ordinary shares ('000)</i>				
<i>Weighted average number of ordinary shares ('000)</i>	11,022,762	10,910,563	11,022,762	11,008,285
Less: Shares repurchased	(372,907)	(341,863)	(395,256)	(359,446)
	<u>10,649,855</u>	<u>10,568,700</u>	<u>10,627,506</u>	<u>10,648,839</u>
Basic/diluted loss per share (sen)	<u>(3.84)</u>	<u>(2.38)</u>	<u>(3.47)</u>	<u>(1.78)</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 8 September 2021