

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

Interim Financial Report
31 March 2022

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

Interim Financial Report
31 March 2022

	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 27

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 31 March 2022.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2021 RM'000	9 MONTHS ENDED	
			31.3.2022 RM'000	31.3.2021 RM'000
Revenue	4,670,792	2,636,477	13,318,140	7,755,859
Cost of sales	(4,294,259)	(2,213,712)	(12,180,912)	(6,583,063)
Gross profit	376,533	422,765	1,137,228	1,172,796
Other operating income	1,350,958	46,032	1,405,278	103,228
Other operating expenses	(496,438)	(148,369)	(818,020)	(347,066)
Profit from operations	1,231,053	320,428	1,724,486	928,958
Finance costs	(250,912)	(239,551)	(719,879)	(710,430)
Share of profits of investments accounted for using the equity method	56,893	87,697	208,974	265,483
Profit before taxation	1,037,034	168,574	1,213,581	484,011
Taxation	(60,371)	(38,895)	(143,581)	(120,460)
Profit for the period	976,663	129,679	1,070,000	363,551
Attributable to:				
Owners of the parent	1,010,231	112,194	1,064,418	343,630
Non-controlling interests	(33,568)	17,485	5,582	19,921
	976,663	129,679	1,070,000	363,551
Earnings per share attributable to owners of the parent				
Basic (sen)	12.47	1.38	13.14	4.35
Diluted (sen)	12.44	1.38	13.10	4.35

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.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2021 RM'000	9 MONTHS ENDED	
			31.3.2022 RM'000	31.3.2021 RM'000
Profit for the period	976,663	129,679	1,070,000	363,551
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	2,182	(626)	2,613	(5,907)
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- Subsidiaries	542,165	145,733	257,808	347,321
- Associates and joint ventures	(240)	-	39,348	-
Currency translation differences:				
- Subsidiaries	(31,057)	341,346	(180,581)	515,622
- Associates and joint ventures	27,075	69,526	17,035	(15,787)
	-----	-----	-----	-----
Other comprehensive income for the period, net of tax	540,125	555,979	136,223	841,249
	-----	-----	-----	-----
Total comprehensive income for the period	1,516,788	685,658	1,206,223	1,204,800
	=====	=====	=====	=====
Attributable to:				
Owners of the parent	1,545,864	644,070	1,193,412	1,202,162
Non-controlling interests	(29,076)	41,588	12,811	2,638
	-----	-----	-----	-----
	1,516,788	685,658	1,206,223	1,204,800
	=====	=====	=====	=====

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	31.3.2022	30.6.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,007,273	24,200,911
Investment properties	1,381,354	635,004
Project development costs	215,732	259,744
Intangible assets	8,538,097	8,674,529
Right-of-use assets	440,406	491,388
Investments accounted for using the equity method	1,544,035	2,212,256
Investments	291,368	209,823
Derivative financial instruments	33,487	26,461
Receivables, deposits and prepayments	1,757,406	1,506,914
	-----	-----
	38,209,158	38,217,030
	-----	-----
Current assets		
Inventories	421,492	351,217
Investments	741,496	1,752,455
Receivables, deposits and prepayments	3,410,737	2,897,282
Derivative financial instruments	543,814	263,719
Cash and bank balances	8,251,252	8,592,632
	-----	-----
	13,368,791	13,857,305
	-----	-----
TOTAL ASSETS	51,577,949	52,074,335
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	7,013,620	5,979,055
	-----	-----
Equity attributable to owners of the parent	14,052,207	13,017,642
Non-controlling interests	(110,716)	(110,217)
	-----	-----
TOTAL EQUITY	13,941,491	12,907,425
	-----	-----

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED	AUDITED
	As at	As at
	31.3.2022	30.6.2021
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	2,965,522	2,940,500
Borrowings	20,946,455	25,910,930
Lease liabilities	356,004	355,232
Post-employment benefit obligations	374,349	459,811
Grants and contributions	681,532	661,614
Derivative financial instruments	2,656	713
Payables	1,564,852	1,505,734
	-----	-----
	26,891,370	31,834,534
	-----	-----
Current liabilities		
Payables and accrued expenses	3,665,692	2,685,539
Derivative financial instruments	91,276	34,074
Post-employment benefit obligations	1,371	1,324
Taxation	46,178	55,890
Borrowings	6,890,155	4,445,047
Lease liabilities	50,416	110,502
	-----	-----
	10,745,088	7,332,376
	-----	-----
TOTAL LIABILITIES	37,636,458	39,166,910
	-----	-----
TOTAL EQUITY AND LIABILITIES	51,577,949	52,074,335
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.73	1.61
	====	====

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

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	-----Attributable to Owners of the Parent-----				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
At 1 July 2021	7,038,587	(739,558)	(46,732)	6,765,345	13,017,642	(110,217)	12,907,425
Profit for the financial period	-	-	-	1,064,418	1,064,418	5,582	1,070,000
Other comprehensive income for the financial period	-	128,994	-	-	128,994	7,229	136,223
Total comprehensive income for the financial period	-	128,994	-	1,064,418	1,193,412	12,811	1,206,223
Dividends paid to non-controlling interests	-	-	-	-	-	(111,973)	(111,973)
Effects arising from changes in composition of the Group	-	42,395	-	-	42,395	98,663	141,058
Interim dividend paid for the financial year ended 30 June 2021	-	-	-	(202,554)	(202,554)	-	(202,554)
Reclassification upon disposal of investments at fair value through other comprehensive income	-	111	-	(111)	-	-	-
Reclassification of cash flow hedge reserves upon disposal of an associate	-	38,401	-	(38,401)	-	-	-
Share option expenses	-	1,313	-	-	1,313	-	1,313
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 31 March 2022	7,038,587	(528,344)	(46,733)	7,588,697	14,052,207	(110,716)	13,941,491

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

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

INTERIM FINANCIAL REPORT

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

	-----Attributable to Owners of the Parent-----					Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 1 July 2020	7,038,587	(1,692,576)	(708,261)	7,381,239	12,018,989	23,765	12,042,754
Profit for the financial period	-	-	-	343,630	343,630	19,921	363,551
Other comprehensive income/(loss) for the financial period	-	858,532	-	-	858,532	(17,283)	841,249
Total comprehensive income for the financial period	-	858,532	-	343,630	1,202,162	2,638	1,204,800
Dividends paid to non-controlling interests	-	-	-	-	-	(121,992)	(121,992)
Share dividend	-	-	699,576	(699,576)	-	-	-
Share option expenses	-	3,515	-	-	3,515	-	3,515
Share option lapsed	-	(37,082)	-	37,082	-	-	-
Share repurchased	-	-	(38,047)	-	(38,047)	-	(38,047)
At 31 March 2021	<u>7,038,587</u>	<u>(867,611)</u>	<u>(46,732)</u>	<u>7,062,375</u>	<u>13,186,619</u>	<u>(95,589)</u>	<u>13,091,030</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.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	9 MONTHS ENDED	
	31.3.2022	31.3.2021
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	1,070,000	363,551
Adjustment for:		
Allowance for impairment of intangible assets	81,980	-
Allowance for impairment of inventories	945	949
Allowance for impairment of project development costs	124,225	-
Allowance for/(Write back of) impairment of receivables (net of reversals)	83,021	(6,943)
Amortisation of contract costs	1,260	2,502
Amortisation of deferred income	(15,018)	(4,113)
Amortisation of grants and contributions	(4,005)	(12,953)
Amortisation of intangible assets	20,589	51,882
Bad debts recovered	(1,010)	(1,539)
Depreciation of property, plant and equipment	801,998	783,124
Depreciation of right-of-use assets	95,955	95,765
Fair value loss on investments	81,180	17,903
Interest expense	719,879	710,430
Interest income	(2,394)	(12,705)
Net gain on disposal of a subsidiary	(20,957)	-
Net gain on disposal of an associate	(1,310,660)	-
Net gain on disposal of property, plant and equipment	(43,207)	(5,210)
Property, plant and equipment written off	7,837	1,987
Write back of liabilities and charges	-	(3,506)
Provision for post-employment benefit	39,662	35,138
Share of profits of investments accounted for using the equity method	(208,974)	(265,483)
Share option expenses	1,267	3,416
Taxation	143,581	120,460
Unrealised loss/(gain) on foreign exchange	14,805	(3,918)
Other non-cash items	(76)	225
	<u>1,681,883</u>	<u>1,870,962</u>
Changes in working capital:		
Inventories	(78,662)	(39,622)
Receivables, deposits and prepayments	(590,950)	(512,616)
Payables and accrued expenses	1,296,747	558,317
Cash flows from operations	<u>2,309,018</u>	<u>1,877,041</u>
Interest paid	(713,601)	(549,733)
Payment to post-employment benefit obligations	(122,104)	(105,311)
Tax paid	(65,953)	(43,651)
Net cash flows from operating activities	<u><u>1,407,360</u></u>	<u><u>1,178,346</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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 - Continued**

	9 MONTHS ENDED	
	31.3.2022	31.3.2021
	RM'000	RM'000
Cash flows from investing activities		
Acquisition of a subsidiary	(36,998)	-
Additional investments	(82,931)	(913)
Development expenditure incurred on investment properties	(18,091)	-
Dividends received	275,796	317,186
Grants received	24,439	69,431
Interest received	2,490	4,162
Net increase in deposits maturing more than 90 days	-	(1,052,851)
Net withdrawals/(placements) of income funds	953,102	(371,958)
Prepayment for land acquisition	-	(7,836)
Proceeds from disposal of a subsidiary	3,891	-
Proceeds from disposal of an associate	1,966,568	-
Proceeds from disposal of investments	320	396
Proceeds from disposal of property, plant and equipment	83,909	10,833
Purchase of intangible assets	(35,278)	(97)
Purchase of property, plant and equipment	(1,522,094)	(1,320,661)
Shareholder loan	(366,807)	(62,205)
Net cash flows from/(used in) investing activities	<u>1,248,316</u>	<u>(2,414,513)</u>
Cash flows from financing activities		
Dividend paid	(202,554)	-
Dividends paid to non-controlling interests	(111,973)	(121,992)
Proceeds from borrowings	1,341,091	2,503,945
Repayment of borrowings	(3,777,314)	(957,259)
Repayment of lease liabilities	(111,399)	(128,920)
Repurchase of own shares	(1)	(38,047)
Net cash flows (used in)/from financing activities	<u>(2,862,150)</u>	<u>1,257,727</u>
Net changes in cash and cash equivalents	(206,474)	21,560
Effects of exchange rate changes	(108,855)	250,034
Cash and cash equivalents at beginning of the financial year	8,566,581	6,923,559
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	<u>8,251,252</u>	<u>7,195,153</u>

[Note a]

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

	RM'000	RM'000
Fixed deposits	6,895,793	7,624,708
Cash and bank balances	1,355,459	1,226,182
Deposits with maturity 90 days and more	-	(1,655,697)
Bank overdrafts	-	(40)
(included within short term borrowing in Note B9)		
	<u>8,251,252</u>	<u>7,195,153</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

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

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

A1. Accounting Policies and Methods of Computation

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

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

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

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

A2. Seasonality or Cyclicity of Operations

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

A3. Disaggregation of Revenue

	Individual Quarter		Cumulative Quarter	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM'000	RM'000	RM'000	RM'000
Multi utilities business (Merchant)				
- Sale of electricity	3,321,224	1,365,054	9,057,286	4,079,376
- Sale of steam	59,453	44,767	169,960	132,288
- Others	72,613	58,631	207,379	146,757
	<u>3,453,290</u>	<u>1,468,452</u>	<u>9,434,625</u>	<u>4,358,421</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	1,010,672	909,555	3,079,211	2,719,292
Telecommunications business				
- Sale of devices	2,726	48,279	169,830	50,179
- Telecommunications services	86,212	93,228	305,821	263,565
- Telecommunications infrastructure business	26,637	14,477	74,083	40,454
	<u>115,575</u>	<u>155,984</u>	<u>549,734</u>	<u>354,198</u>
Power generation (Contracted)				
Sale of electricity	-	62,120	-	198,479
Investment holding activities				
- Investment income	15,851	20,212	53,920	57,431
- Management, operation and maintenance fees	17,674	16,890	49,152	47,746
- Others	57,730	3,264	151,498	20,292
	<u>91,255</u>	<u>40,366</u>	<u>254,570</u>	<u>125,469</u>
	<u>4,670,792</u>	<u>2,636,477</u>	<u>13,318,140</u>	<u>7,755,859</u>

A4. Unusual Items

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

A5. Changes in Estimates of Amounts Reported

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

INTERIM FINANCIAL REPORT

Notes – continued

A6. Changes in Debt and Equity Securities

During the current financial quarter and financial year to date, the Company repurchased 1,000 and 2,000 ordinary shares from the open market for a total consideration of RM646 and RM1,405, respectively. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 31 March 2022, the number of treasury shares held was 56,053,431 ordinary shares.

4% Guaranteed Unsecured Bonds of a subsidiary of the Company amounting to RM1,703.9 million (GBP300.0 million) was fully repaid during the current financial year to date.

Medium Term Notes of the Company amounting to RM300.0 million was repaid during the current financial year to date.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

The following dividend payment was made during the financial period ended 31 March 2022:-

	<u>RM'000</u>
In respect of the financial year ended 30 June 2021:	
A second interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	<u>202,554</u>

A8. Segment Information

The Group has five reportable segments as described below:

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

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

INTERIM FINANCIAL REPORT

Notes – continued

Segment information for the financial period ended 31 March 2022:

	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Tele- communications business RM'000	Power generation (Contracted) RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	9,434,625	3,079,211	550,225	-	257,815	13,321,876
Inter-segment elimination	-	-	(491)	-	(3,245)	(3,736)
External Revenue	9,434,625	3,079,211	549,734	-	254,570	13,318,140
Segment profit/(loss) before tax	224,822	364,489	(136,305)	(16,478)	777,053	1,213,581
Finance costs						719,879
Depreciation and amortisation						900,779
EBITDA*						2,834,239

*Included is a fair value loss of RM81.2 million and allowance for impairment of RM290.2 million.

Segment information for the financial period ended 31 March 2021:

	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Tele- communications business RM'000	Power generation (Contracted) RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	4,358,421	2,719,292	354,820	198,479	149,767	7,780,779
Inter-segment elimination	-	-	(622)	-	(24,298)	(24,920)
External Revenue	4,358,421	2,719,292	354,198	198,479	125,469	7,755,859
Segment profit/(loss) before tax	248,159	403,013	(172,621)	21,918	(16,458)	484,011
Finance costs						710,430
Depreciation and amortisation						916,207
EBITDA*						2,110,648

*Included is a fair value loss of RM17.9 million, write back of allowance for impairment of RM6.0 million and inventories written down of RM14.3 million.

INTERIM FINANCIAL REPORT

Notes – continued

A9. Events After the Interim Period

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

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 31 March 2022, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 17 August 2021, Extiva Communications Sdn. Bhd., an inactive subsidiary of the Company, commenced members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016.
- (ii) On 8 October 2021, YTL Data Center Holdings Pte. Ltd. ("YTL Data Center Holdings") was incorporated in Singapore as a wholly-owned subsidiary of YTL Seraya Limited (a wholly-owned subsidiary of the Company) with an issued and paid-up share capital of SGD1.00 comprising one (1) ordinary share. YTL Data Center Holdings is principally involved in investment holding in companies that own and operate data centers.
- (iii) On 8 October 2021, YTL DC No.1 Pte. Ltd. ("YTL DC No.1") was incorporated in Singapore as a wholly-owned subsidiary of YTL Data Center Holdings with an issued and paid-up share capital of SGD1.00 comprising one (1) ordinary share. YTL DC No.1 is principally involved in investment holding in companies that own and operate data centers.
- (iv) On 12 October 2021 and 25 October 2021, YTL DC No.1 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.

- (v) On 5 January 2022, EnTrade Ltd. ("EnTrade") was incorporated in England and Wales as a wholly-owned subsidiary of Wessex Water Limited (an indirect wholly-owned subsidiary of the Company) with an issued and paid-up share capital of GBP100.00 comprising 100 ordinary shares of GBP1.00 each. EnTrade will be principally involved in environmental consultancy.
- (vi) On 28 January 2022, YTL DC South Sdn. Bhd. ("YTL DC South") was incorporated as a wholly-owned subsidiary of YTL Data Center Holdings with an issued and paid-up share capital of RM1.00 comprising one (1) ordinary share. YTL DC South is principally involved in investment holding.

INTERIM FINANCIAL REPORT

Notes – continued

- (vii) On 14 February 2022, YTL RE Holdings Sdn. Bhd. (“YTL RE Holdings”) was incorporated as a wholly-owned subsidiary of the Company with an issued and paid-up share capital of RM1.00 comprising one (1) ordinary share. YTL RE Holdings is principally involved in investment holding.
- (viii) On 23 February 2022, YTL Southern Solar Sdn. Bhd. (“YTL Southern Solar”) was incorporated as a wholly-owned subsidiary of YTL RE Holdings with an issued and paid-up share capital of RM1.00 comprising one (1) ordinary share. YTL Southern Solar’s principal activity will be that of investment holding, development, commissioning, operation and maintenance of solar photovoltaic power plant and transmission infrastructure and generation of electricity from green energy sources.
- (ix) On 4 March 2022, YTL Renewables Pte. Ltd. (“YTL Renewables”) was incorporated in Singapore as a wholly-owned subsidiary of YTL Southern Solar with an issued and paid-up share capital of SGD1.00 comprising one (1) ordinary share. YTL Renewables’ principal activity will be that of transmission, distribution and sale of electricity, engineering design and consultancy services in energy management and clean energy system.
- (x) On 8 March 2022, Wessex Water Limited (“Wessex Water”) (an indirect wholly-owned subsidiary of the Company) disposed of its 100% equity interest, comprising 100 ordinary shares of GBP0.01 each, in Albion Water Limited (“Albion Water”) for a consideration of GBP3.7 million. Consequent thereto, Albion Water ceased to be a direct subsidiary of Wessex Water and an indirect subsidiary of the Company.
- (xi) On 21 March 2022, YTL Digital Payments Sdn. Bhd. (“YTL Digital Payments”) was incorporated as a wholly-owned subsidiary of the Company with an issued and paid-up share capital of RM1.00 comprising one (1) ordinary share. YTL Digital Payments will be principally involved in the processing of digital payments via e-money platform.

A11. Changes in Contingent Liabilities

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.3.2022				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	611	-	611
- Income funds	-	741,496	-	741,496
- Equity investments	-	85,719	-	85,719
Financial assets at fair value through other comprehensive income				
Derivatives used for hedging	45,428	46	160,175	205,649
Total assets	45,428	1,404,562	160,175	1,610,165
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	479	-	479
Derivatives used for hedging	-	93,453	-	93,453
Total liabilities	-	93,932	-	93,932

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

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

B1. Review of the Results

The comparison of the results is tabulated below:

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	31.3.2022 RM'000	31.3.2021 RM'000		31.3.2022 RM'000	31.3.2021 RM'000	
Revenue						
Multi utilities business (Merchant)	3,453,290	1,468,452	>100.0%	9,434,625	4,358,421	>100.0%
Water & sewerage	1,010,672	909,555	+11.1%	3,079,211	2,719,292	+13.2%
Telecommunications business	115,575	155,984	-25.9%	549,734	354,198	+55.2%
Power generation (Contracted)	-	62,120	*	-	198,479	*
Investment holding activities	91,255	40,366	>100.0%	254,570	125,469	>100.0%
	<u>4,670,792</u>	<u>2,636,477</u>	+77.2%	<u>13,318,140</u>	<u>7,755,859</u>	+71.7%
Profit/(Loss) before taxation						
Multi utilities business (Merchant)	135,216	66,496	>100.0%	224,822	248,159	-9.4%
Water & sewerage	89,148	136,758	-34.8%	364,489	403,013	-9.6%
Telecommunications business	(85,712)	(27,098)	->100.0%	(136,305)	(172,621)	+21.0%
Power generation (Contracted)	(5,293)	9,151	*	(16,478)	21,918	*
Investment holding activities	903,675	(16,733)	>100.0%	777,053	(16,458)	>100.0%
	<u>1,037,034</u>	<u>168,574</u>	>100.0%	<u>1,213,581</u>	<u>484,011</u>	>100.0%

* The extended Power Purchase Agreement for the Paka Power Station expired on 30 June 2021.

INTERIM FINANCIAL REPORT

Notes – continued

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group profit before taxation for the current financial quarter increased by RM868.4 million or 515.1% to RM1,037.0 million as compared to RM168.6 million recorded in the preceding year corresponding quarter.

The Group recorded higher revenue of RM4,670.8 million for the current financial quarter ended 31 March 2022, an increase of RM2,034.3 million or 77.2% as compared to RM2,636.5 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the current financial quarter ended 31 March 2022 as compared to the preceding year corresponding quarter is analysed as follows:

Multi utilities business (Merchant)

The increase in profit before taxation was mainly due to the higher pool gains and retail margin, and higher revenue was primarily due to the higher pool and fuel oil price.

Water & sewerage

The lower profit before taxation was mainly due to seasonality impacts on water supply and waste treatment revenues.

The higher revenue was contributed primarily from new contracts awarded in the non-household retail market.

Telecommunications business

The higher loss before taxation and lower revenue was mainly due to lower project revenues recorded.

Power generation (Contracted)

Following the expiry of the extended power purchase agreement for the Paka Power Station on 30 June 2021, no revenue was recorded. Overheads and depreciation charges contributed to the loss recorded.

Investment holding activities

The higher profit before taxation was mainly due to the one-off gain following the disposal of the investment in ElectraNet, partially offset by an allowance for impairment of project development costs and goodwill, contribution to a corporate social responsibility programme and lower share of profits of investments accounted for using the equity method.

The increase in revenue was mainly due to the sales recorded from the Brabazon project in the United Kingdom and higher rental income.

b) Current Year to date vs Preceding Year to date

The Group profit before taxation for the current financial period increased by RM729.6 million or 150.7% to RM1,213.6 million as compared to a profit of RM484.0 million recorded in the preceding year corresponding period, principally attributable to the one-off gain recorded in the Investment holding activities segment following the disposal of the investment in ElectraNet.

INTERIM FINANCIAL REPORT

Notes – continued

The Group recorded higher revenue of RM13,318.1 million for the current financial period ended 31 March 2022, an increase of RM5,562.2 million or 71.7% as compared to RM7,755.9 million recorded in the preceding financial period ended 31 March 2021.

Performance of the respective operating business segments for the period ended 31 March 2022 as compared to the preceding year corresponding period was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Multi utilities business (Merchant)

The higher revenue was primarily due to the higher pool and fuel oil price, whilst profit before taxation approximated that of the preceding year corresponding period.

Telecommunications business

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

B2. Comparison with Preceding Quarter

	Current Quarter 31.3.2022 RM'000	Preceding Quarter 31.12.2021 RM'000	Variance % +/-
Revenue	4,670,792	5,133,877	-9.0%
Consolidated profit before taxation	1,037,034	76,198	>100.0%
Consolidated profit after taxation	976,663	42,005	>100.0%

The higher profit before taxation as compared to the preceding quarter was principally attributable to the one-off gain following the disposal of the investment in ElectraNet.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

B3. Prospects

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

Multi utilities business (Merchant)

In October 2021, YTL PowerSeraya Pte Limited was appointed as the electricity importer for a two-year trial to import 100MW of electricity from Malaysia via existing interconnectors, following a Request for Proposal process held in March 2021 by the Energy Market Authority of Singapore ("EMA"). As the appointed electricity importer, YTL PowerSeraya will work with the EMA to refine all technical settings and regulatory arrangements under Singapore's Electricity Import Framework during this two-year trial, and import will commence upon the receipt of the requisite approvals.

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

Water & sewerage

As Wessex Water reaches the end of 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 RM7.2 billion (GBP1.3 billion) of capital investment with a resulting RAB value in excess of RM21.5 billion (GBP3.9 billion). Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

Telecommunications business

In December 2021, together with Digital Nasional Bhd's pilot 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 which currently provides unlimited 5G data, 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.

INTERIM FINANCIAL REPORT

Notes – continued

The 5G roll-out is in line with Jalanan Digital Negara (“JENDELA”), the plan to upgrade Malaysia’s digital communications infrastructure formulated by the Government and the Malaysian Communications and Multimedia Commission launched in August 2020. Initial phases of the plan focused on expanding 4G mobile broadband coverage and increasing broadband speeds, with the anticipated 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. YTL Communications has recently been awarded part of the JENDELA Phase 1 (Part 2) project for the design, supply, installation, testing, commissioning, operation of the network service equipment and services related to the provisioning of public cellular services.

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, among others, free YES SIM cards with 40GB of data to students registered in government schools and partner tertiary education institutions. The data plans provided under the initiative have been extended to 31 August 2022 to help ease the transition back to physical classes as schools have adopted hybrid teaching models. The initiative has also been extended to cater for the 2021/2022 intake of university and polytechnic students.

YTL Communications again collaborated with YTL Foundation to offer free smartphones and 12-month data plans to the households and individuals under the Jaringan Prihatin programme. The programme, launched on 5 May 2021 by the Government of Malaysia, provides subsidies of RM300 to B40 households and RM180 to B40 individuals for device and data plans offered by participating service providers. Registrations for the 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.

Power generation (Contracted)

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.

Investment holding activities

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

INTERIM FINANCIAL REPORT

Notes – continued

In April 2022, the Group’s consortium with Sea Limited was awarded a digital banking licence by Bank Negara Malaysia. This new venture, which will also create and leverage synergies between YTL Communications and Sea Limited’s Shopee e-commerce platform, will enable the Group to further contribute to the growth of Malaysia’s digital transformation efforts and broaden access to financial services, including the underserved and underbanked, as well as micro, small and medium enterprises (MSMEs) in Malaysia.

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

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

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

B5. Audit Report of the preceding financial year ended 30 June 2021

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

B6. Profit for the period

	Current Quarter 31.3.2022 RM’000	Current Year To Date 31.3.2022 RM’000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of intangible assets	81,980	81,980
Allowance for impairment of inventories	252	945
Allowance for impairment of project development costs	124,225	124,225
Allowance for impairment of receivables (net of reversals)	41,191	83,021
Amortisation of contract costs	340	1,260
Amortisation of deferred income	(15,018)	(15,018)
Bad debts recovered	(291)	(1,010)
Depreciation of property, plant and equipment	255,645	801,998
Depreciation of right-of-use assets	33,509	95,955
Fair value loss on investments	72,332	81,180
Interest expense	250,912	719,879
Interest income	(712)	(2,394)
Loss on foreign exchange	7,871	18,671
Net gain on disposal of an associate	(1,310,660)	(1,310,660)
Net gain on disposal of property, plant and equipment	(3,670)	(43,207)
Net gain on disposal of a subsidiary	(20,957)	(20,957)
Property, plant and equipment written off	-	7,837
(Write back)/Amortisation of grants and contributions	2,518	(4,005)
(Write back)/Amortisation of intangible assets	(13,419)	20,589
	=====	=====

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

INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

	Current Quarter 31.3.2022 RM'000	Current Year To Date 31.3.2022 RM'000
In respect of current period		
- Income Tax	29,844	64,135
- Deferred Tax	<u>30,527</u>	<u>79,446</u>
	<u>60,371</u>	<u>143,581</u>

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

B8. Corporate Proposals

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

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

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2022 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bonds	-	470,000	470,000
Revolving credit	-	428,018	428,018
Term loans	-	5,992,137	5,992,137
	-	<u>6,890,155</u>	<u>6,890,155</u>
Non- current			
Bonds	-	15,913,487	15,913,487
Revolving credit	-	1,739,754	1,739,754
Term loans	-	3,293,214	3,293,214
	-	<u>20,946,455</u>	<u>20,946,455</u>
Total borrowings	-	<u>27,836,610</u>	<u>27,836,610</u>

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

	Foreign currency '000	RM Equivalents '000
US Dollar	<u>323,990</u>	<u>1,362,054</u>
Sterling Pound	<u>2,501,314</u>	<u>13,792,745</u>
Singapore Dollar	<u>2,032,414</u>	<u>6,312,881</u>

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,145.3 million, for which the Company has provided corporate guarantees to the financial institutions.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

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

(a) Derivative Financial Instruments

As at 31 March 2022, 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	1,502,865	483,257
- 1 year to 3 years	184,968	32,916
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,499,742	(458)
- 1 year to 3 years	326,886	(2,085)
- More than 3 years	-	-
<u>Electricity futures</u>		
- Less than 1 year	51,006	(30,261)
- 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.

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 March 2022 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current quarter 31.3.2022 RM'000	Current year to date 31.3.2022 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	-	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 unfavourably against the Group	(491)	(4)
Total			(491)	(3)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

B11. Material Litigation

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

B12. Dividend

The Board of Directors is pleased to declare an interim dividend of 2 sen per ordinary share for the financial year ending 30 June 2022.

The book closure and payment dates in respect of the aforesaid dividend are 13 June 2022 and 29 June 2022, respectively.

B13. Earnings Per Share

(i) Basic Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
Profit attributable to Owners of the Parent (RM'000)	<u>1,010,231</u>	<u>112,194</u>	<u>1,064,418</u>	<u>343,630</u>
Weighted average number of ordinary shares ('000)	<u>8,102,156</u>	<u>8,103,168</u>	<u>8,102,156</u>	<u>7,899,196</u>
Basic earnings per share (Sen)	<u>12.47</u>	<u>1.38</u>	<u>13.14</u>	<u>4.35</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

(ii) Diluted Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
Profit attributable to Owners of the Parent (RM'000)	<u>1,010,231</u>	<u>112,194</u>	<u>1,064,418</u>	<u>343,630</u>
<i>Weighted average number of ordinary shares – diluted ('000)</i>				
Weighted average number of ordinary shares - basic	8,102,156	8,103,168	8,102,156	7,899,196
Effect of unexercised ESOS	<u>20,308</u>	<u>-</u>	<u>26,232</u>	<u>-</u>
	<u>8,122,464</u>	<u>8,103,168</u>	<u>8,128,388</u>	<u>7,899,196</u>
Diluted earnings per share (Sen)	<u>12.44</u>	<u>1.38</u>	<u>13.10</u>	<u>4.35</u>

* *Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM117.5 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM117.5 million resulting in a decrease in NA per share of RM0.03. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.*

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 26 May 2022