

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

Interim Financial Report
30 June 2023

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial year ended 30 June 2023.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|--|-----------------------------------|
| | CURRENT YEAR QUARTER 30.6.2023 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30.6.2022 RM'000 (Restated) | 12 MONTHS ENDED 30.6.2023 RM'000 | |
| | | | 30.6.2023 RM'000 | 30.6.2022 RM'000 (Restated) |
| Revenue | 7,087,824 | 4,536,549 | 21,892,529 | 17,804,728 |
| Cost of sales | (5,330,847) | (4,026,727) | (17,715,348) | (16,157,678) |
| Gross profit | 1,756,977 | 509,822 | 4,177,181 | 1,647,050 |
| Other operating income | 144,778 | 307,571 | 187,543 | 1,712,849 |
| Other operating expenses | (232,336) | (244,598) | (669,712) | (1,062,618) |
| Profit from operations | 1,669,419 | 572,795 | 3,695,012 | 2,297,281 |
| Finance costs | (436,593) | (270,038) | (1,580,106) | (989,917) |
| Share of profits of investments accounted for using the equity method | 119,152 | 125,652 | 328,309 | 334,626 |
| Profit before taxation | 1,351,978 | 428,409 | 2,443,215 | 1,641,990 |
| Taxation | (191,562) | (43,722) | (416,818) | (187,303) |
| Profit for the period/year | 1,160,416 | 384,687 | 2,026,397 | 1,454,687 |
| Attributable to: | | | | |
| Owners of the parent | 1,130,218 | 412,378 | 2,021,959 | 1,476,796 |
| Non-controlling interests | 30,198 | (27,691) | 4,438 | (22,109) |
| | 1,160,416 | 384,687 | 2,026,397 | 1,454,687 |
| Earnings per share attributable to owners of the parent | | | | |
| Basic (sen) | 13.95 | 5.09 | 24.96 | 18.23 |
| Diluted (sen) | 13.76 | 5.05 | 24.66 | 18.13 |

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER PRECEDING YEAR | | CUMULATIVE QUARTER 12 MONTHS ENDED | |
|--|---|---|---------------------------------------|-----------------------------------|
| | CURRENT YEAR QUARTER 30.6.2023 RM'000 | CORRESPONDING QUARTER 30.6.2022 RM'000 (Restated) | 30.6.2023 RM'000 | 30.6.2022 RM'000 (Restated) |
| Profit for the period/year | 1,160,416 | 384,687 | 2,026,397 | 1,454,687 |
| Other comprehensive income/(loss): | | | | |
| Reclassification of reserves upon disposal of an associate: | | | | |
| - cash flow hedges | - | 38,452 | - | 38,452 |
| - currency translation differences | - | (9,341) | - | (9,341) |
| Items that will not be reclassified subsequently to income statement: | | | | |
| Financial assets at fair value through other comprehensive income | (951) | (12,210) | (778) | (9,597) |
| Re-measurement of post-employment benefit obligations: | | | | |
| - subsidiaries | (249,825) | 408,354 | (249,825) | 408,354 |
| Items that may be reclassified subsequently to income statement: | | | | |
| Cash flow hedges: | | | | |
| - subsidiaries | 40,747 | (102,033) | (573,410) | 155,775 |
| - associates and joint ventures | 23,350 | 89,625 | 62,312 | 128,973 |
| Currency translation differences: | | | | |
| - subsidiaries | 811,285 | (143,232) | 1,251,844 | (323,813) |
| - associates and joint ventures | 104,946 | 84,699 | 113,796 | 101,734 |
| Other comprehensive income for the period/year, net of tax | 729,552 | 354,314 | 603,939 | 490,537 |
| Total comprehensive income for the period/year | 1,889,968 | 739,001 | 2,630,336 | 1,945,224 |
| Attributable to: | | | | |
| Owners of the parent | 1,824,056 | 740,091 | 2,588,824 | 1,933,503 |
| Non-controlling interests | 65,912 | (1,090) | 41,512 | 11,721 |
| | <u>1,889,968</u> | <u>739,001</u> | <u>2,630,336</u> | <u>1,945,224</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | UNAUDITED | UNAUDITED |
|---|-------------------|-------------------|
| | As at | As at |
| | 30.6.2023 | 30.6.2022 |
| | RM'000 | RM'000 |
| ASSETS | | (Restated) |
| Non-current assets | | |
| Property, plant and equipment | 28,502,429 | 24,954,332 |
| Investment properties | 579,785 | 527,944 |
| Intangible assets | 9,416,924 | 8,663,264 |
| Right-of-use assets | 445,946 | 454,941 |
| Post-employment benefit assets | 64,314 | 174,802 |
| Investments accounted for using the equity method | 1,961,225 | 1,769,644 |
| Investments | 272,487 | 294,726 |
| Derivative financial instruments | 2,879 | 20,607 |
| Receivables, deposits and prepayments | 2,839,114 | 2,454,912 |
| | ----- | ----- |
| | 44,085,103 | 39,315,172 |
| | ----- | ----- |
| Current assets | | |
| Inventories | 593,155 | 493,056 |
| Investments | 1,236,200 | 740,824 |
| Receivables, deposits and prepayments | 4,222,775 | 3,480,542 |
| Derivative financial instruments | 18,824 | 415,891 |
| Cash and bank balances | 8,999,430 | 6,880,016 |
| | ----- | ----- |
| | 15,070,384 | 12,010,329 |
| | ----- | ----- |
| TOTAL ASSETS | 59,155,487 | 51,325,501 |
| | ===== | ===== |
| EQUITY AND LIABILITIES | | |
| Share capital | 7,038,587 | 7,038,587 |
| Reserves | 9,733,050 | 7,550,305 |
| | ----- | ----- |
| Equity attributable to owners of the parent | 16,771,637 | 14,588,892 |
| Non-controlling interests | (371,044) | (257,465) |
| | ----- | ----- |
| TOTAL EQUITY | 16,400,593 | 14,331,427 |
| | ----- | ----- |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

| | UNAUDITED | UNAUDITED |
|--|------------------|-------------------|
| | As at | As at |
| | 30.6.2023 | 30.6.2022 |
| | RM'000 | RM'000 |
| | | (Restated) |
| LIABILITIES | | |
| Non-current liabilities | | |
| Deferred taxation | 3,340,622 | 3,032,978 |
| Borrowings | 28,416,995 | 25,259,797 |
| Lease liabilities | 295,834 | 310,750 |
| Post-employment benefit obligations | 17,140 | 15,115 |
| Grants and contributions | 699,024 | 620,655 |
| Derivative financial instruments | 9,654 | 1,367 |
| Payables | 1,815,940 | 1,549,003 |
| | ----- | ----- |
| | 34,595,209 | 30,789,665 |
| | ----- | ----- |
| Current liabilities | | |
| Payables and accrued expenses | 4,495,642 | 3,500,934 |
| Derivative financial instruments | 110,828 | 21,740 |
| Post-employment benefit obligations | 707 | 1,349 |
| Taxation | 379,148 | 107,504 |
| Borrowings | 3,067,305 | 2,477,041 |
| Lease liabilities | 106,055 | 95,841 |
| | ----- | ----- |
| | 8,159,685 | 6,204,409 |
| | ----- | ----- |
| TOTAL LIABILITIES | 42,754,894 | 36,994,074 |
| | ----- | ----- |
| TOTAL EQUITY AND LIABILITIES | 59,155,487 | 51,325,501 |
| | ===== | ===== |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 2.07 | 1.80 |
| | ===== | ===== |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

| | -----Attributable to Owners of the Parent----- | | | | Total RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|--|--|---|------------------------------|--------------------------------|-----------------|--|---------------------------|
| | Share Capital RM'000 | Merger & Other Reserves RM'000 | Treasury Shares RM'000 | Retained Earnings RM'000 | | | |
| Balance as at 30 June 2022, as previously reported | 7,038,587 | (693,312) | (46,733) | 8,016,080 | 14,314,622 | (257,465) | 14,057,157 |
| Acquisition accounting restatement | - | 4,852 | - | 269,418 | 274,270 | - | 274,270 |
| Balance as at 1 July 2022, as restated | 7,038,587 | (688,460) | (46,733) | 8,285,498 | 14,588,892 | (257,465) | 14,331,427 |
| Profit for the financial year | - | - | - | 2,021,959 | 2,021,959 | 4,438 | 2,026,397 |
| Other comprehensive income/(loss) for the financial year | - | 816,682 | - | (249,817) | 566,865 | 37,074 | 603,939 |
| Total comprehensive income for the financial year | - | 816,682 | - | 1,772,142 | 2,588,824 | 41,512 | 2,630,336 |
| Effects arising from changes in composition of the Group | - | 1,065 | - | (10,998) | (9,933) | 1,714 | (8,219) |
| Dividends paid to non-controlling interests | - | - | - | - | - | (156,805) | (156,805) |
| Interim dividend paid for the financial year ended | - | - | - | (202,554) | (202,554) | - | (202,554) |
| - 30 June 2022 | - | - | - | (202,554) | (202,554) | - | (202,554) |
| - 30 June 2023 | - | - | - | - | - | - | - |
| Share option expenses | - | 8,963 | - | - | 8,963 | - | 8,963 |
| Share repurchased | - | - | (1) | - | (1) | - | (1) |
| At 30 June 2023 | 7,038,587 | 138,250 | (46,734) | 9,641,534 | 16,771,637 | (371,044) | 16,400,593 |

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 2022 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 YEAR ENDED 30 JUNE 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/(Loss) for the financial year, as restated | - | - | - | 1,476,796 | 1,476,796 | (22,109) | 1,454,687 |
| Other comprehensive income for the financial year, as restated | - | 48,369 | - | 408,338 | 456,707 | 33,830 | 490,537 |
| Total comprehensive income for the financial year, as restated | - | 48,369 | - | 1,885,134 | 1,933,503 | 11,721 | 1,945,224 |
| Effects arising from changes in composition of the Group | - | - | - | (273) | (273) | (11,425) | (11,698) |
| Dividends paid to non-controlling interests | - | - | - | - | - | (147,544) | (147,544) |
| Interim dividend paid for the financial year ended | | | | | | | |
| - 30 June 2021 | - | - | - | (202,554) | (202,554) | - | (202,554) |
| - 30 June 2022 | - | - | - | (162,043) | (162,043) | - | (162,043) |
| Reclassification upon disposal of investment at fair value through other comprehensive income | - | 111 | - | (111) | - | - | - |
| Share option expenses | - | 2,618 | - | - | 2,618 | - | 2,618 |
| Share repurchased | - | - | (1) | - | (1) | - | (1) |
| At 30 June 2022, as restated | <u>7,038,587</u> | <u>(688,460)</u> | <u>(46,733)</u> | <u>8,285,498</u> | <u>14,588,892</u> | <u>(257,465)</u> | <u>14,331,427</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

| | 12 MONTHS ENDED | |
|---|---|--|
| | UNAUDITED 30.6.2023 RM'000 | UNAUDITED 30.6.2022 RM'000 (Restated) |
| Cash flows from operating activities | | |
| Profit for the financial year | 2,026,397 | 1,454,687 |
| Adjustments for: | | |
| Allowance for impairment of an associate | 270 | - |
| Allowance for impairment of intangible assets | 144 | 171,102 |
| Allowance for impairment of inventories | 1,364 | 957 |
| Allowance for impairment of investments | - | 3,692 |
| Allowance for impairment of receivables (net of reversals) | 132,575 | 126,270 |
| Amortisation of contract costs | 1,021 | 1,537 |
| Amortisation of deferred income | (5,632) | (6,008) |
| Amortisation of grants and contributions | (17,951) | (18,999) |
| Amortisation of intangible assets | 62,127 | 65,862 |
| Bad debts (recovered)/written off | (1,268) | 981 |
| Depreciation of property, plant and equipment | 1,099,770 | 1,075,858 |
| Depreciation of right-of-use assets | 143,613 | 127,320 |
| Fair value loss/(gain) on investment properties | 3,313 | (19,492) |
| Fair value loss on investments | 14,172 | 97,659 |
| Gain on a bargain purchase | - | (270,818) |
| Gain on disposal of a subsidiary | - | (4,916) |
| Gain on disposal of an associate | - | (1,272,259) |
| Interest expense | 1,580,106 | 989,917 |
| Interest income | (27,046) | (3,307) |
| Net gain on disposal of investments | (3,543) | - |
| Net gain on disposal of property, plant and equipment | (9,328) | (68,936) |
| Project development costs written off | - | 66,577 |
| Property, plant and equipment written off | 14,216 | 10,189 |
| Provision for liabilities and charges | 6,704 | 892 |
| Provision for post-employment benefit | 33,273 | 53,973 |
| Share of profits of investments accounted for using the equity method | (328,309) | (334,626) |
| Share option expenses | 9,006 | 2,673 |
| Taxation | 416,818 | 187,303 |
| Unrealised gain on foreign exchange | (126,657) | (41,135) |
| Other non-cash items | (1,304) | (1,558) |
| | <u>5,023,851</u> | <u>2,395,395</u> |
| Changes in working capital: | | |
| Inventories | (50,347) | (110,326) |
| Receivables, deposits and prepayments | (1,647,024) | (810,913) |
| Payables and accrued expenses | 1,490,067 | 921,063 |
| Cash flows from operations | <u>4,816,547</u> | <u>2,395,219</u> |
| Interest paid | (1,045,144) | (880,767) |
| Payment for provision and liabilities | (6,079) | (759) |
| Payment to post-employment benefit obligations | (236,088) | (134,845) |
| Tax paid | (70,607) | (73,149) |
| Net cash flows from operating activities | <u><u>3,458,629</u></u> | <u><u>1,305,699</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 – Continued**

| | 12 MONTHS ENDED | |
|---|---|--|
| | UNAUDITED 30.6.2023 RM'000 | UNAUDITED 30.6.2022 RM'000 (Restated) |
| Cash flows from investing activities | | |
| Acquisition of a subsidiary | - | (839,729) |
| Additional investments | (167) | (96,231) |
| Additional investment accounted for using the equity method | (63,428) | (56,750) |
| Dividends received | 385,646 | 362,742 |
| Grants received | 29,232 | 32,092 |
| Increase in deposits maturing more than 90 days | (243,756) | - |
| Increase in shareholder loans | (167,300) | (426,221) |
| Interest received | 19,431 | 3,647 |
| (Placements)/Maturities of income funds | (415,000) | 953,102 |
| Proceeds from disposal of a subsidiary | - | 3,853 |
| Proceeds from disposal of an associate | - | 1,966,568 |
| Proceeds from disposal of investments | 28,209 | 318 |
| Proceeds from disposal of property, plant and equipment | 31,449 | 86,578 |
| Purchase of intangible assets | (67,777) | (68,800) |
| Purchase of property, plant and equipment | (2,266,214) | (1,759,216) |
| Repayments/(Placement) for participation investment | 194,682 | (498,165) |
| Net cash flows used in investing activities | <u>(2,534,993)</u> | <u>(336,212)</u> |
| Cash flows from financing activities | | |
| Additional investment in a subsidiary | (6,943) | (1,000) |
| Dividends paid | (405,108) | (364,597) |
| Dividends paid to non-controlling interests | (156,805) | (147,544) |
| Proceeds from borrowings | 6,170,995 | 2,225,911 |
| Upfront fees on borrowings | (26,025) | (24,838) |
| Repayment of borrowings | (4,953,251) | (4,245,617) |
| Repayment of lease liabilities | (156,741) | (148,655) |
| Repurchase of own shares | (1) | (1) |
| Net cash flows from/(used in) financing activities | <u>466,121</u> | <u>(2,706,341)</u> |
| Net changes in cash and cash equivalents | 1,389,757 | (1,736,854) |
| Effects of exchange rate changes | 553,106 | (45,503) |
| Cash and cash equivalents at beginning of the financial year | <u>6,784,224</u> | <u>8,566,581</u> |
| Cash and cash equivalents at end of the financial year [Note a] | <u>8,727,087</u> | <u>6,784,224</u> |

[Note a]

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

| | RM'000 | RM'000 |
|--|------------------|------------------|
| Fixed deposits | 6,775,700 | 4,512,771 |
| Cash and bank balances | 2,223,730 | 2,367,245 |
| Deposits with maturity 90 days and more | (265,689) | - |
| Bank overdrafts (included within short term borrowing in Note B9) | (6,654) | (95,792) |
| | <u>8,727,087</u> | <u>6,784,224</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 2022 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 2022.

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 2022.

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 2022.

The amendments to MFRSs which were effective for financial year beginning on or after 1 July 2022 do not have significant financial impact to the Group.

A2. Seasonality or Cyclicity of Operations

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

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INTERIM FINANCIAL REPORT

Notes – continued

A3. Disaggregation of Revenue

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|------------------|--------------------|-------------------|
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Power generation | | | | |
| - Sale of electricity | 5,142,459 | 3,115,495 | 15,842,799 | 12,172,781 |
| - Sale of steam | 68,128 | 81,226 | 244,787 | 251,186 |
| - Others | 35,833 | 89,637 | 129,374 | 297,016 |
| | <u>5,246,420</u> | <u>3,286,358</u> | <u>16,216,960</u> | <u>12,720,983</u> |
| Water & sewerage | | | | |
| - Supply of clean water and treatment and disposal of waste water | 1,181,252 | 1,030,331 | 4,265,768 | 4,109,542 |
| Telecommunications | | | | |
| - Sale of devices | 3,798 | 3,157 | 28,621 | 172,987 |
| - Telecommunication services | 203,048 | 98,018 | 438,795 | 403,839 |
| - Telecommunication infrastructure | 34,960 | 27,132 | 135,250 | 101,215 |
| | <u>241,806</u> | <u>128,307</u> | <u>602,666</u> | <u>678,041</u> |
| Investment holding activities | | | | |
| - Investment income | 220,884 | 18,255 | 395,346 | 72,175 |
| - Management, operation and maintenance fees | 112,077 | 17,200 | 164,981 | 66,352 |
| - Others | 85,385 | 56,098 | 246,808 | 157,635 |
| | <u>418,346</u> | <u>91,553</u> | <u>807,135</u> | <u>296,162</u> |
| | <u>7,087,824</u> | <u>4,536,549</u> | <u>21,892,529</u> | <u>17,804,728</u> |

A4. Unusual Items

For the current financial year, 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 year, the Company repurchased 1,000 ordinary shares from the open market for a total consideration of RM772. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2023, the number of treasury shares held was 56,054,431 ordinary shares.

On 5 September 2022, the Company issued Medium Term Note (“MTN”) of RM225.0 million bearing a coupon of 5.05% p.a. under an MTN programme of up to RM5.0 billion. The proceeds of the issuance will be utilised for refinancing, to finance future project/investments and/or general corporate purposes.

On 24 March 2023, the Company issued four tranches of Islamic Medium Term Notes of RM130.0 million, RM150.0 million, RM570.0 million and RM650.0 million totalling RM1.5 billion bearing coupons of 4.51% p.a., 4.77% p.a., 4.88% p.a. and 4.99% p.a., respectively under the Islamic Commercial Papers (“ICP”)/Islamic Medium Term Notes (“IMTN”) programme of up to RM7.5 billion (“ICP/IMTN Programme”). The proceeds of the issuance were partially utilised to repay the Company’s outstanding MTN of RM1.0 billion. The remaining proceeds will be utilised for refinancing, to finance future project/investments and/or general corporate purposes.

On 24 March 2023, the Company issued ICP of RM5.0 million with a yield of 3.40% p.a. pursuant to the ICP/IMTN programme. The proceeds of the issuance will be utilised for general corporate purposes.

On 30 March 2023, the Company issued two tranches of IMTN of RM140.0 million and RM75.0 million totalling RM215.0 million bearing coupons of 4.45% p.a. and 4.69% p.a., respectively under the ICP/IMTN programme. The proceeds of the issuance will be utilised for refinancing, to finance future project/investments and/or general corporate purposes.

On 31 March 2023, a subsidiary of the Company issued a 9-year Guaranteed Fixed Rate Bond of RM1,625.0 million (GBP300.0 million) bearing a coupon of 5.13% p.a. The proceeds of the issuance will be utilised to finance capital expenditure, refinance borrowings and repay an existing RM514.6 million (GBP95.0 million) bond which matured in July 2023.

The outstanding debts are as disclosed in Note B9.

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INTERIM FINANCIAL REPORT

Notes – continued

A7. Dividends Paid

The following dividend payments were made during the financial year ended 30 June 2023:-

| | <u>RM'000</u> |
|---|----------------|
| In respect of the financial year ended 30 June 2022: | |
| A second interim dividend of 2.5 sen per ordinary share paid on 29 November 2022 | <u>202,554</u> |
| In respect of the financial year ended 30 June 2023: | |
| An interim dividend of 2.5 sen per ordinary share paid on 28 June 2023 | <u>202,554</u> |

A8. Segment Information

The Group has four reportable segments as described below:

- a) Power generation #
- b) Water and sewerage
- c) Telecommunications
- d) Investment holding activities

This segment includes Multi utilities business (Merchant) which encompasses a large portion of the value chain involved in the generation of electricity and sale of electricity to both wholesale and retail markets, as well as oil trading and oil tank leasing.

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

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INTERIM FINANCIAL REPORT

Notes – continued

Segment information for the financial year ended 30 June 2023:

| | Power generation RM'000 | Water & sewerage RM'000 | Tele- communications RM'000 | Investment holding activities RM'000 | Group RM'000 |
|---|--|--|--|---|-------------------------|
| Total Revenue | 16,216,960 | 4,283,271 | 603,023 | 816,048 | 21,919,302 |
| Inter-segment elimination | - | (17,503) | (357) | (8,913) | (26,773) |
| External Revenue | <u>16,216,960</u> | <u>4,265,768</u> | <u>602,666</u> | <u>807,135</u> | <u>21,892,529</u> |
| Segment profit/(loss) before tax | <u>2,465,133</u> | <u>(94,792)</u> | <u>(267,957)</u> | <u>340,831</u> | <u>2,443,215</u> |
| Finance costs | | | | | 1,580,106 |
| Depreciation and amortisation | | | | | 1,282,948 |
| EBITDA* | | | | | <u><u>5,306,269</u></u> |

*Included is a fair value loss of RM17.5 million and allowance for impairment of RM134.4 million.

Segment information for the financial year ended 30 June 2022 (Restated):

| | Power generation RM'000 | Water & sewerage RM'000 | Tele- communications RM'000 | Investment holding activities RM'000 | Group RM'000 |
|---|--|--|--|---|-------------------------|
| Total Revenue | 12,720,983 | 4,114,707 | 678,451 | 301,891 | 17,816,032 |
| Inter-segment elimination | - | (5,165) | (410) | (5,729) | (11,304) |
| External Revenue | <u>12,720,983</u> | <u>4,109,542</u> | <u>678,041</u> | <u>296,162</u> | <u>17,804,728</u> |
| Segment profit/(loss) before tax | <u>690,270</u> | <u>378,034</u> | <u>(196,743)</u> | <u>770,429</u> | <u>1,641,990</u> |
| Finance costs | | | | | 989,917 |
| Depreciation and amortisation | | | | | 1,245,570 |
| EBITDA* | | | | | <u><u>3,877,477</u></u> |

*Included is a fair value loss of RM78.2 million, allowance for impairment of RM302.0 million and project development costs written off of RM66.6 million.

A9. Events After the Interim Period

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

INTERIM FINANCIAL REPORT

Notes – continued

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial year ended 30 June 2023, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 5 July 2022, Flipper Limited (a wholly-owned subsidiary of Wessex Concierge Limited) was dissolved following its deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom and ceased to be the indirect wholly-owned subsidiary of the Company.
- (ii) On 6 September 2022, YTL Power Trading (Labuan) Ltd. was dissolved pursuant to Section 131A of the Labuan Companies Act 1990 and ceased to be the wholly-owned subsidiary of the Company.
- (iii) On 19 October 2022, ITS Mobility Sdn. Bhd. was incorporated as a wholly-owned subsidiary of Konsortium Jaringan Selangor Sdn. Bhd. (a subsidiary of YTL Communications Sdn. Bhd.) with an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares and is principally involved in investment holding. As a result, ITS Mobility Sdn. Bhd. became an indirect subsidiary of the Company.
- (iv) On 8 November 2022, YesLinc Sdn. Bhd. (a wholly-owned subsidiary of YTL Communications Sdn. Bhd.) was dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 and ceased to be the indirect subsidiary of the Company.
- (v) On 23 November 2022, ITS Mobility Sdn. Bhd. acquired 51 ordinary shares, representing 51% of the issued and paid-up share capital of ITS Synergy Sdn. Bhd. for a consideration of RM51.00. As a result, ITS Synergy Sdn. Bhd. became an indirect subsidiary of the Company.

ITS Synergy Sdn. Bhd. was incorporated on 20 October 2022 with an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares and is principally involved in investment holding.

- (vi) On 23 November 2022, ITS Synergy Sdn. Bhd. acquired 100 ordinary shares, representing the entire issued and paid-up share capital of MLFF Technologies Sdn. Bhd. for a consideration of RM100.00. As a result, MLFF Technologies Sdn. Bhd. became an indirect subsidiary of the Company.

MLFF Technologies Sdn. Bhd. was incorporated on 20 October 2022 with an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares and will be principally involved in construction, installation, integration, commission, operation, management and maintenance of all digital infrastructures, including electronic toll system, telecommunication network towers and infrastructure, fiberisation network, internet-of-things, digital smart applications and related services.

INTERIM FINANCIAL REPORT

Notes – continued

- (vii) On 2 February 2023, YTL PowerSeraya Pte. Limited subscribed for 3,992 ordinary shares, representing 49.9% of the issued and paid-up share capital of Strides YTL Pte. Ltd. for a consideration of SGD3,992.00. As a result, Strides YTL Pte. Ltd. became an indirect associate of the Company.

Strides YTL Pte. Ltd. was incorporated in Singapore with an issued and paid-up share capital of SGD8,000.00 comprising 8,000 ordinary shares and is principally involved in the provision of electric vehicle charging services.

- (viii) On 3 March 2023, Suria Solar Farm Sdn. Bhd. was re-organised as a wholly-owned subsidiary of SIPP Power Sdn. Bhd. and became an indirect subsidiary of the Company following the disposal of entire equity interest of the Company comprising one (1) ordinary share in Suria Solar Farm Sdn. Bhd..
- (ix) On 10 March 2023, YTL DC Holdings Sdn. Bhd. 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 and is principally involved in investment holding.
- (x) On 21 March 2023, YTL DC South Sdn. Bhd. was re-organised as a wholly-owned subsidiary of YTL DC Holdings Sdn. Bhd. and remains as an indirect wholly-owned subsidiary of the Company following the disposal of entire equity interest of YTL Data Center Holdings Pte. Ltd. comprising 2,500,000 ordinary shares in YTL DC South Sdn. Bhd..
- (xi) On 28 April 2023, YTL Digital Capital Sdn. Bhd. subscribed for 40,020,000 ordinary shares, representing 40.02% of the issued and paid-up share capital of Sea Capital Services Berhad for a total consideration of RM40,020,000.

Sea Capital Services Berhad was incorporated on 6 October 2022 and presently has an issued and paid-up share capital of RM100,000,000 comprising 100,000,000 ordinary shares and will be principally involved in financial services activities, except insurance/takaful and pension funding, including but not limited to online digital financial services and other relevant services.

- (xii) On 26 May 2023, YTL Construction (UK) Limited was incorporated in England and Wales as a wholly-owned subsidiary of YTL Land and Property (UK) Ltd (an indirect wholly-owned subsidiary of the Company) with an issued and paid-up share capital of GBP1.00 comprising one (1) ordinary share of GBP1.00 and will be principally involved in the construction and support of engineering projects. As a result, YTL Construction (UK) Limited became an indirect wholly-owned subsidiary of the Company.

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 2022.

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 (that is, unobservable inputs).

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

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| 30.6.2023 | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Income funds | - | 1,236,200 | - | 1,236,200 |
| - Equity investments | - | 60,714 | - | 60,714 |
| Financial assets at fair value through other comprehensive income | | | | |
| Derivatives used for hedging | 43,643 | 10,733 | 157,397 | 211,773 |
| Total assets | 43,643 | 1,329,350 | 157,397 | 1,530,390 |
| Liabilities | | | | |
| Derivatives used for hedging | - | 120,482 | - | 120,482 |
| Total liabilities | - | 120,482 | - | 120,482 |

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INTERIM FINANCIAL REPORT

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

B1. Review of the Results

The comparison of the results is tabulated below:

| | Individual Quarter | | Variance % | Cumulative Quarter | | Variance % |
|--------------------------------------|----------------------------|--|----------------------|----------------------------|--|----------------------|
| | 30.6.2023 RM'000 | 30.6.2022 RM'000 (Restated) | | 30.6.2023 RM'000 | 30.6.2022 RM'000 (Restated) | |
| Revenue | | | | | | |
| Power generation | 5,246,420 | 3,286,358 | +59.6% | 16,216,960 | 12,720,983 | +27.5% |
| Water & sewerage | 1,181,252 | 1,030,331 | +14.6% | 4,265,768 | 4,109,542 | +3.8% |
| Telecommunications | 241,806 | 128,307 | +88.5% | 602,666 | 678,041 | -11.1% |
| Investment holding activities | 418,346 | 91,553 | >100.0% | 807,135 | 296,162 | >100.0% |
| | <u>7,087,824</u> | <u>4,536,549</u> | +56.2% | <u>21,892,529</u> | <u>17,804,728</u> | +23.0% |
| Profit/(Loss) before taxation | | | | | | |
| Power generation | 1,067,362 | 481,926 | >100.0% | 2,465,133 | 690,270 | >100.0% |
| Water & sewerage | (56,958) | 13,545 | ->100.0% | (94,792) | 378,034 | ->100.0% |
| Telecommunications | (8,854) | (60,438) | +85.4% | (267,957) | (196,743) | -36.2% |
| Investment holding activities | 350,428 | (6,624) | >100.0% | 340,831 | 770,429 | -55.8% |
| | <u>1,351,978</u> | <u>428,409</u> | >100.0% | <u>2,443,215</u> | <u>1,641,990</u> | +48.8% |

INTERIM FINANCIAL REPORT

Notes – continued

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group's profit before taxation increased to RM1,352.0 million for the current financial quarter, 215.6% or RM923.6 million higher as compared to RM428.4 million recorded in the preceding year corresponding quarter.

The Group recorded higher revenue of RM7,087.8 million for the current financial quarter ended 30 June 2023, an increase of RM2,551.3 million or 56.2% as compared to RM4,536.5 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the current financial quarter ended 30 June 2023 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation

The increase in revenue and profit before taxation was mainly due to the higher retail and pool prices, coupled with strengthening of Singapore Dollar against Ringgit Malaysia.

Water & sewerage

The segment recorded an increase in EBITDA for the current quarter. However, the loss before taxation was mainly due to interest accruals on index-link bonds, a non-cash impact of RM54 million (GBP10 million). The inflationary pressures on costs in the current quarter will be compensated in future years tariff revenues.

The higher revenue was contributed primarily from improved trading and new contracts within the non-household retail market.

Telecommunications

The reduction in loss before taxation and higher revenue was mainly due to higher project revenue recorded. However, the segment remains EBITDA positive.

Investment holding activities

The profit before taxation was mainly due to the higher interest income, higher foreign exchange gain and recognition of accrued technical service income.

The increase in revenue was mainly due to higher interest income and recognition of accrued technical service income following commercial operation of the Jordan oil shale-fired power generation project under joint venture entity ("Jordan Project").

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INTERIM FINANCIAL REPORT

Notes – continued

b) Current Year vs Preceding Year

The Group's profit before taxation for the current financial year increased to RM2,443.2 million, 48.8% or RM801.2 million higher as compared to RM1,642.0 million recorded in the preceding year, principally attributable to the better performance by the Power generation segment.

The Group recorded higher revenue of RM21,892.5 million for the current financial year ended 30 June 2023, an increase of RM4,087.8 million or 23.0% as compared to RM17,804.7 million recorded in the preceding financial year ended 30 June 2022.

Performance of the respective operating business segments for the year ended 30 June 2023 as compared to the preceding year was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Telecommunications

The higher loss before taxation and lower revenue was mainly due to lower project revenue recorded. However, the segment remains EBITDA positive.

Investment holding activities

The lower profit before taxation in the current financial year was mainly due to the absence of net gain on the disposal of the investment in ElectraNet which was recognised in the preceding year, partially offset by higher foreign exchange gain, higher interest income and accrued technical service income derived from the Jordan Project.

The increase in revenue was mainly due to higher interest income and recognition of accrued technical service income following commercial operation of the Jordan Project.

B2. Comparison with Preceding Quarter

| | Current Quarter 30.6.2023 RM'000 | Preceding Quarter 31.3.2023 RM'000 | Variance % +/- |
|-------------------------------------|---|---|-------------------------------|
| Revenue | 7,087,824 | 5,357,460 | +32.3% |
| Consolidated profit before taxation | 1,351,978 | 610,397 | >100.0% |
| Consolidated profit after taxation | 1,160,416 | 507,641 | >100.0% |

The higher profit before taxation as compared to the preceding quarter was primarily attributable to the better performance by the Power generation and Investment holding activities segments.

INTERIM FINANCIAL REPORT

Notes – continued

B3. Prospects

The prospects of the respective business segments of the Group for the financial year ended 30 June 2023 are set out below:

Power generation

YTL PowerSeraya Pte. Limited (“YTL PowerSeraya”), a wholly-owned subsidiary of the Company and TNB Power Generation Sdn. Bhd. (“TNB Genco”), a wholly-owned subsidiary of Tenaga Nasional Bhd. have teamed up to export and import 100 megawatts (MW) of electricity to Singapore via the newly upgraded interconnector. It is the first-time electricity from Malaysia would be supplied to Singapore on a commercial basis, adhering to the Malaysian Energy Commission’s guide for cross-border electricity sales (“CBES Guide”). YTL PowerSeraya will purchase the electricity from TNB Pasir Gudang Energy Sdn. Bhd., a special purpose vehicle wholly owned by TNB Genco. Both parties will work closely with the Energy Market Authority and the Energy Commission to refine all technical settings and regulatory arrangements under the Electricity Import Framework and the agreement will be effective upon fulfilment of the conditions precedent.

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

In November 2022, YTL PowerSeraya together with its consortium partners won a tender from the Land Transport Authority to build at least 1,200 electric vehicle charging points at Housing & Development Board carparks in the Central and East regions of Singapore.

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

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

Water & sewerage

As Wessex Water’s appointed business enters the penultimate year of its Price Review (“PR19”), it continues to work towards delivering the investment commitments agreed with the regulator, whilst developing its plan for the next price review, due for submission in October 2023. Under the existing regulatory settlement, any enduring inflationary pressures on costs remain to be compensated in future years tariff revenues. Outside of the appointed business, Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

INTERIM FINANCIAL REPORT

Notes – continued

Telecommunications

In December 2021, together with Digital Nasional Bhd’s (“DNB”) 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 and Infinite data plans which currently provide unlimited 5G plus 4G data and its Infinite+ device plans, enables users to experience the fifth generation of wireless mobile technology, delivering higher data speed, ultra-low latency, more reliable coverage, massive network capacity and a more uniform user experience. YTL Communications expects to extend its 5G services to the rest of the country in tandem with the rollout of DNB’s 5G network. The Minister of Communications and Digital, in a recent statement announced that DNB’s 5G rollout had achieved 66.8% coverage of the population at the end of July 2023. It plans to achieve 80% coverage by end of 2023.

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

Investment holding activities

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

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

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

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Notes – continued

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

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

B5. Audit Report of the preceding financial year ended 30 June 2022

The Auditors' Report on the financial statements of the financial year ended 30 June 2022 did not contain any qualification.

B6. Profit for the period/year

| | Current Quarter 30.6.2023 RM'000 | Current Year To Date 30.6.2023 RM'000 |
|---|---|--|
| Profit before taxation is stated after charging/(crediting): | | |
| Allowance for impairment of an associate | 1 | 270 |
| Allowance for impairment of intangible assets | 144 | 144 |
| Allowance for impairment of inventories | 1,585 | 1,364 |
| Allowance for impairment of receivables (net of reversals) | 67,317 | 132,575 |
| Amortisation of contract costs | 275 | 1,021 |
| Amortisation of grants and contributions | (13,813) | (17,951) |
| Amortisation of intangible assets | 14,363 | 62,127 |
| Bad debts written off/(recovered) | 219 | (1,268) |
| Depreciation of property, plant and equipment | 364,743 | 1,099,770 |
| Depreciation of right-of-use assets | 37,293 | 143,613 |
| Fair value (gain)/loss on investments | (1,890) | 14,172 |
| Fair value loss on investment properties | 3,313 | 3,313 |
| Gain on foreign exchange | (118,867) | (121,557) |
| Interest expense | 436,593 | 1,580,106 |
| Interest income | (17,660) | (27,046) |
| Net gain on disposal of investments | (3,543) | (3,543) |
| Net loss/(gain) on disposal of property, plant and equipment | 554 | (9,328) |
| Property, plant and equipment written off | 10,045 | 14,216 |
| Provision for liabilities and charges | 6,704 | 6,704 |
| Write back/(Amortisation) of deferred income | 6,319 | (5,632) |
| | ===== | ===== |

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

INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

| | Current Quarter 30.6.2023 RM'000 | Current Year To Date 30.6.2023 RM'000 |
|-----------------------------------|---|--|
| In respect of current period/year | | |
| - Income Tax | 107,077 | 334,998 |
| - Deferred Tax | 84,485 | 81,820 |
| | <u>191,562</u> | <u>416,818</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 was mainly due to income subjected to different tax jurisdictions and partially offset by non-deductibility of certain expenses for tax purposes.

B8. Corporate Proposals

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

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2023 are as follows:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|-------------------------|---------------------------|-----------------------------|--------------------------|
| Current | | | |
| Bank overdrafts | - | 6,654 | 6,654 |
| Bonds | - | 1,034,473 | 1,034,473 |
| Hire purchase | 34 | - | 34 |
| Revolving credit | - | 1,046,063 | 1,046,063 |
| Term loans | - | 979,772 | 979,772 |
| Trade loans | - | 309 | 309 |
| | <u>34</u> | <u>3,067,271</u> | <u>3,067,305</u> |
| Non-current | | | |
| Bonds | - | 18,899,218 | 18,899,218 |
| Hire purchase | 107 | - | 107 |
| Revolving credit | - | 974,226 | 974,226 |
| Term loans | 325,474 | 8,217,970 | 8,543,444 |
| | <u>325,581</u> | <u>28,091,414</u> | <u>28,416,995</u> |
| Total borrowings | <u>325,615</u> | <u>31,158,685</u> | <u>31,484,300</u> |

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Notes – continued

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

| | Foreign currency '000 | RM Equivalents '000 |
|------------------|--------------------------------------|------------------------------------|
| US Dollar | 298,310 | 1,395,793 |
| Sterling Pound | 3,003,663 | 17,734,227 |
| Singapore Dollar | 1,375,156 | 4,746,626 |

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,240.6 million, for which the Company has provided corporate guarantees to the financial institutions.

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

(a) Derivative Financial Instruments

As at 30 June 2023, the Group's outstanding derivatives are as follows:

| Type of Derivatives | Contractual notional amount RM'000 | Fair Value RM'000 |
|---------------------------------|---|------------------------------|
| <u>Fuel oil Swaps</u> | | |
| - Less than 1 year | 1,681,497 | (79,742) |
| - 1 year to 3 years | 279,908 | (5,825) |
| - More than 3 years | - | - |
| <u>Currency forwards</u> | | |
| - Less than 1 year | 1,821,186 | (12,262) |
| - 1 year to 3 years | 450,381 | (950) |
| - 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 at various dates in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

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

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Notes – continued

(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial year ended 30 June 2023 are as follows:

| Type of financial liabilities | Basis of fair value measurement | Reason for the gain | Fair value gain | |
|-------------------------------|---|---|--|--|
| | | | Current quarter 30.6.2023 RM'000 | Current year to date 30.6.2023 RM'000 |
| Currency forwards | Foreign exchange differential between the contracted rate and the market forward rate | Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of the Group | 1 | 16 |
| Total | | | 1 | 16 |

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 a second interim dividend of 3.5 sen per ordinary share for the financial year ended 30 June 2023.

The book closure and payment dates in respect of the aforesaid dividend are 10 November 2023 and 29 November 2023, respectively.

The Board of Directors does not recommend a final dividend for the financial year ended 30 June 2023 (2022: nil).

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Notes – continued

B13. Earnings Per Share

(i) Basic Earnings Per Share

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

| | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------------------------------------|---------------------------|---------------------------------------|
| | 30.6.2023 | 30.6.2022 (Restated) | 30.6.2023 | 30.6.2022 (Restated) |
| Profit attributable to Owners of the Parent (RM'000) | 1,130,218 | 412,378 | 2,021,959 | 1,476,796 |
| Weighted average number of ordinary shares ('000) | 8,102,154 | 8,102,155 | 8,102,154 | 8,102,156 |
| Basic earnings per share (Sen) | 13.95 | 5.09 | 24.96 | 18.23 |

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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 as set out below:

| | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------------------------------------|---------------------------|---------------------------------------|
| | 30.6.2023 | 30.6.2022 (Restated) | 30.6.2023 | 30.6.2022 (Restated) |
| Profit attributable to Owners of the Parent (RM'000) | <u>1,130,218</u> | <u>412,378</u> | <u>2,021,959</u> | <u>1,476,796</u> |
| <i>Weighted average number of ordinary shares – diluted ('000)</i> | | | | |
| Weighted average number of ordinary shares - basic | 8,102,154 | 8,102,155 | 8,102,154 | 8,102,156 |
| Effect of unexercised ESOS | <u>113,817</u> | <u>55,701</u> | <u>96,016</u> | <u>41,698</u> |
| | <u>8,215,971</u> | <u>8,157,856</u> | <u>8,198,170</u> | <u>8,143,854</u> |
| Diluted earnings per share (Sen) | <u>13.76</u> | <u>5.05</u> | <u>24.66</u> | <u>18.13</u> |

* Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM129.1 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM129.1 million resulting in a decrease in NA per share of RM0.04. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

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INTERIM FINANCIAL REPORT

Notes – continued

B14. Comparative figures

During the previous financial year, pursuant to the Put and Call Option Agreement dated 31 May 2022 entered into between the Group and Tuaspring Pte. Ltd. (Receivers and Managers Appointed over the Relevant Charged Property), the Group has acquired the power plant and associated assets of Tuaspring Pte. Ltd. on 1 June 2022. The fair values of identifiable assets acquired and liabilities assumed have been determined on a provisional basis as at 30 June 2022 and were finalised during the financial year. Thus, the comparative figures have been adjusted as below:

| | As previously reported RM'000 | Adjustments RM'000 | As restated RM'000 |
|---|--|-------------------------------|-------------------------------|
| 30 June 2022 | | | |
| Effect on income statement: | | | |
| Cost of sales | (16,156,319) | (1,359) | (16,157,678) |
| Other operating income | 1,442,031 | 270,818 | 1,712,849 |
| Other operating expenses | (1,062,571) | (47) | (1,062,618) |
| Profit from operations | 2,027,869 | 269,412 | 2,297,281 |
| Finance costs | (989,923) | 6 | (989,917) |
| Profit before taxation | 1,372,572 | 269,418 | 1,641,990 |
| Profit for the period/year attributable to: | | | |
| Owners of the parent | 1,207,378 | 269,418 | 1,476,796 |
| Effect on statement of comprehensive income: | | | |
| Currency translation differences: | | | |
| - subsidiaries | (328,665) | 4,852 | (323,813) |
| Other comprehensive income for the period/year, net of tax | 485,685 | 4,852 | 490,537 |
| Total comprehensive income for the period/year attributable to: | | | |
| Owners of the parent | 1,659,233 | 274,270 | 1,933,503 |
| Effect on statement of financial position: | | | |
| Non-current assets | | | |
| Property, plant and equipment | 24,556,399 | 397,933 | 24,954,332 |
| Intangible assets | 8,732,299 | (69,035) | 8,663,264 |
| Right-of-use assets | 459,555 | (4,614) | 454,941 |
| Equity | | | |
| Reserves | 7,276,035 | 274,270 | 7,550,305 |
| Non-current liabilities | | | |
| Deferred taxation | 2,971,862 | 61,116 | 3,032,978 |
| Payables | 1,560,105 | (11,102) | 1,549,003 |

INTERIM FINANCIAL REPORT

Notes – continued

| | As previously reported RM'000 | Adjustments RM'000 | As restated RM'000 |
|--|--|-------------------------------|-------------------------------|
| 30 June 2022 | | | |
| Effect on statement of changes in equity: | | | |
| Merger & other reserves | (693,312) | 4,852 | (688,460) |
| Retained earnings | 8,016,080 | 269,418 | 8,285,498 |
| Effect on statement of cash flows: | | | |
| Cash flows from operating activities: | | | |
| Depreciation of property, plant and equipment | 1,074,477 | 1,381 | 1,075,858 |
| Depreciation of right-of-use assets | 127,342 | (22) | 127,320 |
| Gain on a bargain purchase | - | (270,818) | (270,818) |
| Interest expense | 989,923 | (6) | 989,917 |
| Changes in payables and accrued expenses | 921,016 | 47 | 921,063 |

By Order of the Board

HO SAY KENG

Secretary

Kuala Lumpur

Dated: 24 August 2023