

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2021



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	NOTE	Individual Quarter		Cummulative Period	
		Current year quarter 31/03/2021 RM'000	Preceding year quarter 31/03/2020 RM'000	Current year to date 31/03/2021 RM'000	Preceding year to date 31/03/2020 RM'000
Revenue		363,763	368,281	363,763	368,281
Cost of sales		(280,358)	(267,048)	(280,358)	(267,048)
Gross profit		83,405	101,233	83,405	101,233
Other items of income					
Interest income		13,627	13,653	13,627	13,653
Other income		4,613	4,773	4,613	4,773
Other items of expense					
Admin/Operating expenses		(60,070)	(60,021)	(60,070)	(60,021)
Finance costs		(23,194)	(21,946)	(23,194)	(21,946)
Share of results of associates		4,179	3,838	4,179	3,838
Profit before tax and zakat		22,560	41,530	22,560	41,530
Income tax expense and zakat	B5	(9,491)	(14,168)	(9,491)	(14,168)
Profit net of tax		13,069	27,362	13,069	27,362
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		1,788	1,195	1,788	1,195
Total other comprehensive income		1,788	1,195	1,788	1,195
Total comprehensive income for the period/year		14,857	28,557	14,857	28,557
Profit net of tax attributable to:					
Owners of the parent		7,298	18,190	7,298	18,190
Non-controlling interests		5,771	9,172	5,771	9,172
Total comprehensive income attributable to:		13,069	27,362	13,069	27,362
Owners of the parent		9,086	19,385	9,086	19,385
Non-controlling interests		5,771	9,172	5,771	9,172
Earnings per share (sen):					
Basic	B11	0.69	1.70	0.69	1.70
Diluted		0.69	N/A	0.69	N/A
EBITDA (includes amortisation of services concession assets)		131,644	147,364	131,644	147,364
EBIT		32,127	49,573	32,127	49,573

Notes :

- (1) The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Ranhill Utilities Berhad ("the Company") for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31/03/2021 RM'000	Audited As at 31/12/2020 RM'000
Non-current assets		
Property, plant and equipment	218,822	222,434
Service concession assets	987,382	-
Intangibles	309,775	308,579
Rights of use of assets	8,406	9,079
Deferred tax assets	38,512	40,874
Investment in an associates	189,415	180,447
Operating financial assets	528,879	549,092
Trade and other receivables	93,417	146,156
Other non-current assets	9,673	10,077
	<u>2,384,281</u>	<u>1,466,738</u>
Current assets		
Operating financial assets	78,521	77,490
Trade and other receivables	281,341	309,012
Contract related assets	44,495	32,154
Inventories	98,813	88,853
Tax recoverable	6,382	7,281
Other current assets	24,181	13,770
Other financial assets	55,819	55,673
Deposits, cash and bank balances	206,711	258,245
	<u>796,263</u>	<u>842,478</u>
Total assets	<u>3,180,544</u>	<u>2,309,216</u>
Current liabilities		
Retirement benefit obligations	11,706	10,634
Loans and borrowings	110,127	97,111
Trade and other payables	247,265	260,784
Contract related liabilities	375	779
Service concession obligations	321,681	-
Tax payable	5,661	4,619
	<u>696,815</u>	<u>373,927</u>
Net current assets	<u>99,448</u>	<u>468,551</u>



UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (continued)

	Unaudited As at 31/03/2021 RM'000	Audited As at 31/12/2020 RM'000
Non-current liabilities		
Retirement benefit obligations	75,726	76,461
Loans and borrowings	922,813	981,468
Trade and other payables	2,164	3,851
Service concession obligations	609,366	-
Consumer deposits	253,223	253,327
Deferred tax liabilities	26,003	27,554
	<u>1,889,295</u>	<u>1,342,661</u>
Total liabilities	<u>2,586,110</u>	<u>1,716,588</u>
Net assets	<u>594,434</u>	<u>592,628</u>
Equity attributable to owners of the parent		
Share capital	1,282,907	1,282,907
Treasury shares	(8,922)	(6,277)
Employee share reserve	586	459
Other reserves	(887,640)	(889,428)
Retained earnings	74,640	76,312
	<u>461,571</u>	<u>463,973</u>
Non-controlling interests	132,863	128,655
Total equity	<u>594,434</u>	<u>592,628</u>
Total equity and liabilities	<u>3,180,544</u>	<u>2,309,216</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.43</u>	<u>0.43</u>

Notes:

- (1) The Unaudited Condensed Statements of Financial Position should be read in conjunction with the Audited Financial Statements of Ranhill Utilities Berhad ("the Company") for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Share capital	Treasury shares	Employee share reserves	Currency translation reserves	Equity component of convertible unsecured loan stock	Merger reserve/ (deficit)	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	1,282,907	(6,277)	459	15,524	1,063	(906,015)	76,312	463,973	128,655	592,628
Profit net of tax	-	-	-	-	-	-	7,298	7,298	5,771	13,069
Other comprehensive income	-	-	-	1,788	-	-	-	1,788	-	1,788
Total comprehensive income	-	-	-	1,788	-	-	7,298	9,086	5,771	14,857
Transaction with owners										
-Purchase of treasury shares	-	(2,645)	-	-	-	-	-	(2,645)	-	(2,645)
- Long-term incentive plan ("LTIP")										
- share-based payment expenses	-	-	127	-	-	-	-	127	-	127
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(363)	(363)
-Dividends paid via:										
- distribution of treasury shares	-	-	-	-	-	-	(8,970)	(8,970)	-	(8,970)
- cash	-	-	-	-	-	-	-	-	(1,200)	(1,200)
Total transaction with owners	-	(2,645)	127	-	-	-	(8,970)	(11,488)	(1,563)	(13,051)
At 31 March 2021	1,282,907	(8,922)	586	17,312	1,063	(906,015)	74,640	461,571	132,863	594,434

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Share capital	Treasury shares	Currency translation reserves	component of convertible unsecured loan stock	Merger reserve/ (deficit)	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020 (as previously stated)	1,275,319	-	13,007	1,063	(906,015)	198,870	582,244	217,864	800,108
Restatement of comparatives	-	-	-	-	-	(113,341)	(113,341)	(75,561)	(188,902)
At 1 January 2020 (restated)	1,275,319	-	13,007	1,063	(906,015)	85,529	468,903	142,303	611,206
Profit net of tax	-	-	-	-	-	18,190	18,190	9,172	27,362
Others comprehensive income	-	-	1,195	-	-	-	1,195	-	1,195
Total comprehensive income	-	-	1,195	-	-	18,190	19,385	9,172	28,557
Transaction with owners									
-Issuance of share pursuant to dividend reinvestment plan ("DRP")	7,588	-	-	-	-	-	7,588	-	7,588
-Purchase of treasury shares	-	(3,988)	-	-	-	-	(3,988)	-	(3,988)
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	(362)	(362)
-Dividends on ordinary shares	-	-	-	-	-	(10,713)	(10,713)	(6,000)	(16,713)
Total transaction with owners	-	-	-	-	-	(10,713)	(10,713)	(6,362)	(13,475)
At 31 March 2020	1,275,319	-	14,202	1,063	(906,015)	93,006	477,575	145,113	626,288

Notes:

(1) The Unaudited Condensed Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements of Ranhill Utilities Berhad ("the Company") for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021



Ranhill

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	3 months ended 31/03/2021 RM'000	3 months ended 31/03/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	22,560	41,530
Adjustments for:		
Depreciation of property, plant and equipment	9,495	12,728
Depreciation of right-use-of asset	493	610
Net (gain)/loss on disposal of property, plant and equipment	-	(61)
Property, plant and equipment written off	49	-
Amortisation of service concession asset	88,671	84,042
Amortisation of software	858	411
Share of results of associates	(4,179)	(3,838)
Share based payment expenses	127	-
Bad debts written off	-	14
Bad debts recovered	(10)	-
Provision for retirement benefit plan	1,579	2,537
Inventories written off	42	-
Net unrealised foreign exchange (gain)/loss	(1,616)	(1,765)
Allowance for expected credit losses on:		
-Trade receivables	387	614
Provision/(reversal) for liquidated ascertained damages	-	(80)
Interest income	(13,627)	(13,653)
Finance costs	23,194	21,946
Operating profit before working capital changes	<u>128,023</u>	<u>145,035</u>
Receivables	81,978	(43,631)
Payables	(89,396)	(48,338)
Inventories	(10,002)	(9,105)
Operating financial asset	30,857	22,206
Contract related assets	(12,341)	12,643
Contract related liability	(404)	7,025
Other non-current and current asset	<u>(10,007)</u>	<u>(962)</u>
Cash generated from operations	118,708	84,873
Retirement benefits plan paid	(1,224)	(2,178)
Tax paid	(6,739)	(6,711)
Repayment of lease rental payable to PAAB	<u>(89,429)</u>	<u>(86,331)</u>
Net cash generated from/(used in) operating activities	<u>21,316</u>	<u>(10,347)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,946)	(7,952)
Purchase of right-of-use assets	-	(66)
Proceeds from disposal of property, plant and equipment	2	62
(Acquisition)/disposal of short term investments	(146)	143
Purchase of software	(2,054)	(1,247)
Interest received	<u>622</u>	<u>3,187</u>
Net cash used in investing activities	<u>(7,522)</u>	<u>(5,873)</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2021



Ranhill

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (continued) ⁽¹⁾

	3 months ended 31/03/2021 RM'000	3 months ended 31/03/2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal of fixed deposits with banking facilities	19,969	127,295
Drawdown of loans and borrowings	4,000	-
Repayment of lease liabilities	(579)	(688)
Repayment of principal portion of loans and borrowings	(41,138)	(41,254)
Purchase of treasury shares	(2,645)	(3,988)
Dividends paid	(5,400)	(36,445)
Repayment of interest portion of loans and borrowings	(17,328)	(18,612)
Net cash (used in)/generated from financing activities	<u>(43,121)</u>	<u>26,308</u>
Net (decrease)/increase in cash and cash equivalents	(29,327)	10,088
Effect of exchange rate changes on cash and cash equivalents	(2,238)	(6,984)
Cash and cash equivalents at beginning of year	118,853	167,302
Cash and cash equivalents at end of year	<u>87,288</u>	<u>170,406</u>

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

Cash at banks and on hand	44,593	53,941
Short term deposits with licensed banks	162,118	277,769
Total deposits, cash and bank balances	<u>206,711</u>	<u>331,710</u>
Bank overdraft	-	(2,009)
Restricted deposits, cash and bank balances	(110,811)	(114,326)
Deposit pledge as securities to licensed bank	(7,636)	(643)
Deposit with maturities of three months or more	(976)	(44,326)
Cash and cash equivalents	<u>87,288</u>	<u>170,406</u>

Notes:

- (1) The Unaudited Condensed Statements of Cash Flows should be read in conjunction with the Audited Financial Statements of Ranhill Utilities Berhad ("the Company") for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



SECTION A: NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Accounting Standard Board ("IAS") 34: Interim Financial Reporting issued by the International Accounting Standard Board ("IASB") and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities ("Bursa Securities").

These interim financial statements should be read in conjunction with the Audited Financial Statements of Ranhill Utilities Berhad ("the Company") for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("the Group") since the financial year ended 31 December 2020.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted as disclosed in the Audited Financial Statements of the Company for the financial year ended 31 December 2020.

Adoption of New and Revised Financial Reporting Standards ("FRSs")

On 1 January 2021, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform Phase 2	1 January 2021
MFRS 16 : Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group and the Company.

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**A2. Changes in Accounting Policies (continued)****Standards and Amendments in Issue but Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments, which were in issue but not yet effective and not early adopted by the Group are as listed below.

Description	Effective for annual periods beginning on or after
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018–2020"	1 January 2022
MFRS 3: Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
MFRS 16: Property, Plant and Equipment–Proceeds before Intended Use (Amendments to MFRS 116)	1 January 2022
MFRS 137: Onerous Contracts–Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
MFRS 101 : Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
MFRS 101: Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
MFRS 108: Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

A3. Audit Report

There was no audit qualification reported in the Auditors' Report on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2020.

A4. Seasonality of Cyclicity of Operations

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.



A5. Unusual Significant Items

There were no significant items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence for the current quarter and current financial year-to-date.

A6. Material Changes in Estimates

There were no major changes in estimates that have a material effect in the current quarter and current financial year-to-date.

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and current financial year-to-date except as disclosed below:

- (a) On 29 March 2021, Company has proposed renewal of share buy-back authority of up to ten percent (10%) of the total number of its issued shares at any point of time, by utilising the amount allocated which shall not exceed the total retained earnings of the Company.
- (b) As at 31 March 2021, the Company held 10,559,926 repurchased shares as treasury shares (post distribution of 10,617,974 treasury shares as share dividend to the shareholder on 16 October 2020). The treasury shares are held at a carrying amount of RM8,921,518.

A8. Dividend Paid

During the period year ended 31 March 2021, there is no payments of dividend were made.

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A9. Segmental Information

Segmental results are summarized as follows with a reportable proforma segment profit, segment asset and segment liabilities after apportioning the Sukuk related assets, liabilities and cost to the environment and energy segments, to reflect more meaningful contributions from the segments by apportioning the cost of acquiring the environment and energy segments to the respective segment.

For the period ended 31 March 2021:

BY BUSINESS SEGMENTS	Environment RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	311,645	52,118	6,983	370,746
Inter-segment elimination	-	-	(6,983)	(6,983)
	311,645	52,118	-	363,763
Results				
Segment profit/(loss)	32,923	4,902	(24,756)	13,069
Segment assets	2,238,524	848,421	93,599	3,180,544
Segment liabilities	1,497,918	526,536	561,656	2,586,110
Proforma scenario				
Results				
Segment profit/(loss)	32,923	4,902	(24,756)	13,069
Add/(less):				
Sukuk interest	(8,269)	(762)	9,031	-
Adjusted segment profit/(loss)	24,654	4,140	(15,725)	13,069
Segment assets	2,238,524	848,421	93,599	3,180,544
Add/(less):				
Bank balances related to Sukuk	44,979	4,144	(49,123)	-
Adjusted segment Assets	2,283,503	852,565	44,476	3,180,544
Segment liabilities	1,497,918	526,536	561,656	2,586,110
Add/(less):				
Sukuk loan	501,912	46,243	(548,155)	-
Adjusted segment liabilities	1,999,830	572,779	13,501	2,586,110

A9. Segmental Information (continued)

For the period ended 31 March 2020:

BY BUSINESS SEGMENTS	Environment RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	303,938	64,343	28,433	396,714
Inter-segment elimination	-	-	(28,433)	(28,433)
	303,938	64,343	-	368,281
Results				
Segment profit/(loss)	42,630	8,695	(23,963)	27,362
Segment assets	1,582,013	1,185,283	105,728	2,873,024
Segment liabilities	828,758	641,501	587,575	2,057,834
Proforma scenario				
Results				
Segment profit/(loss)	42,630	8,695	(23,963)	27,362
Add/(less): Sukuk interest	(8,947)	(824)	9,771	-
Adjusted segment profit/(loss)	33,683	7,871	(14,192)	27,362
Segment assets	1,582,013	1,185,283	105,728	2,873,024
Add/(less): Bank balances related to Sukuk	60,111	5,538	(65,649)	-
Adjusted segment assets	1,642,124	1,190,821	40,079	2,873,024
Segment liabilities	828,758	641,501	587,575	2,057,834
Add/(less): Sukuk loan	534,108	49,209	(583,317)	-
Adjusted segment liabilities	1,362,866	690,710	4,258	2,057,834

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A9. Segmental Information (continued)Environment segment

- Year to date revenue generated of RM311.6 million (2020: RM303.9 million), increased by RM7.7 million compared to its preceding year mainly due to higher contribution from Ranhill Water Services Sdn Bhd (“RWS”).
- Year to date profit after taxation of RM32.6 million (2020: RM42.6 million) a decreased of RM10.0 million compared to its preceding year mainly due to lower contribution by Ranhill SAJ due to slightly lower revenue of RM2.0 million, higher lease rental of RM3.4 million, higher upkeep, repair and maintenance cost in relation to NRW of RM1.6 million and higher unwinding of interest cost of RM2.9 million (1st year of OP5 vs 3rd year of OP4).

Energy segment

- Revenue of RM52.1 million (2020: RM64.3 million), a decreased of RM12.2 million compared to its preceding year mainly due to lower tariff in Ranhill Powertron (“RPI”) post completion of loan repayment. The adoption of IC interpretation 12 has also resulted in the energy revenue of RPI of approximately RM4.2 million (after offset amortisation) being recognised under interest income.

A10. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter and current financial year-to-date.

A11. Contingent Liabilities

There were no contingent liabilities for the current quarter and current financial year-to-date.

A12. Capital Commitments

The Group has the following capital commitments in respect of:

	31.03.2021 RM'000	31.12.2020 RM'000
Approved and contracted for	4,095	351
Approved but not contracted for	22,739	4,575
	26,834	4,926

A13. Significant Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the current quarter and current financial year to date except the Company had completed the purchase of its issued ordinary shares of 2,040,000 from the open market. The Company has distributed 10,618,163 treasury shares as share dividend (3rd interim dividend FY2020) to the shareholder on 21 May 2021. Therefore, the total of treasury shares as at 21 May 2021 is 1,981,763.



SECTION B: BURSA SECURITIES LISTING REQUIREMENT (PART A OF APPENDIX 9B)

B1. Detailed Analysis of Performance of All Operating Segments

Performance for the quarter and year-to-date

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current year quarter 31.03.2021 RM'000	Preceding year quarter 31.03.2020 RM'000		Current year to date 31.03.2021 RM'000	Preceding year to date 31.03.2020 RM'000	
Revenue	363,763	368,281	-1.2%	363,763	368,281	-1.2%
Operating profit	27,948	45,985	-39.2%	27,948	45,985	-39.2%
Profit Before Interest, Tax and Zakat	32,127	49,823	-35.5%	32,127	49,823	-35.5%
Profit Before Tax and Zakat	22,560	41,530	-45.7%	22,560	41,530	-45.7%
Profit After Tax	13,069	27,362	-52.2%	13,069	27,362	-52.2%
Profit Attributable to Ordinary Equity Holder of the Parent	7,298	18,190	-59.9%	7,298	18,190	-59.9%

For the quarter and year ended 31 March 2021, the Group recorded a revenue of RM363.8 million (Q12020/YTD2020: RM368.3 million) while profit attributable to ordinary equity holder of the parent of RM7.3 million (Q12020/YTD2020: RM18.2 million).

The decrease in revenue for the quarter and year to date (vs prior year corresponding quarter) were mainly contributed by:-

- lower revenue of RM 12.2 million in RPI post loan completion due to lower tariff. The adoption of IC Interpretation 12 applied to Power Purchase Agreement as opposed to MFRS 16 in quarter 1 2020 where RM4.2 million of the energy revenue (after offset amortisation) being recognised under interest income; and
- offsetted against higher RWS revenue of approximately RM10.7 million.

Profit attributable to ordinary equity holder of the parent for the quarter and year to date decreased by RM10.9 million (compared to preceding year's quarter and year to date) was mainly due to lower profit contributed by Energy Segment (RM2.6 million), RanhillSaj (RM7.4 million) due to higher lease rental, higher upkeep, repair and maintenance and higher unwinding of interest of service concession obligations (RM2.3 million) (1st year OP5 vs 3rd year OP4). However the decrease has been offset against higher contribution from RWS and share of results of associates approximately RM1.1 million.

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B2. Comparison of Results for Current Quarter Ended 31 March 2021 Compared to the Immediate Preceding Quarter

	Individual Quarter		Changes %
	Current year quarter 31.03.2021 RM'000	Immediate preceding quarter 31.12.2020 RM'000	
Revenue	363,763	355,772	2.2%
Operating Profit	27,948	(25,333)	N/A
Profit Before Interest, Tax and Zakat	32,127	(26,494)	N/A
Profit Before Tax and Zakat	22,560	(12,552)	N/A
Profit/(loss) After Tax	13,069	(9,482)	N/A
Profit/(loss) Attributable to Ordinary Equity Holder of the parent	7,298	(9,982)	N/A

The Group recorded revenue of RM363.8 million in the current quarter compared to its immediate preceding quarter's revenue of RM355.8 million, an increase of RM8.0 million or 2.2%, mainly contributed by the energy segment.

The profit attributable to ordinary equity holder of the parent for the current quarter has increase by RM17.3 million from losses of RM10.0 million in quarter 4 FY2020 to a profit of RM7.3 million. The variance is due to one off non-recurring impact due to adoption of IC Interpretation 12 to RPI's Power Purchase Agreement of RM8.0 million and higher upkeep, repair and maintenance of asset by RanhillSAJ (RM8 million) expensed off in quarter 4 2020.

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B3. Prospects

With the prolonged COVID-19 pandemic, the Group has initiated caution in managing the group's business to ensure continuous recurring and stable source of cashflows is generated to support the operations and optimise the value to the stakeholders. Management will continue to implement the necessary austerity measures without jeopardising operations and services. Given the outbreak and the recent change in the country's administration, the negotiation on tariff hike is expected to take longer than expected to materialise.

Initiatives to explore the opportunity in expanding water supply operations to other states in Malaysia are still actively sought, based on the "Asset-Light" model and our achievement in operating the water supply services in Johor for over 20 years, since 1999.

Ranhill Saj will continue to expedite pipe rehabilitation and replacement works towards the realisation of its set NRW target level of 26.3% for FY2021. This is significant 0.6% reduction from FY2020's level. Further reduction in NRW going forward, is to be achieved via pipe rehabilitation works and ALC activities that have been proposed under the Rehabilitation 2020 ("Rehab 2020") and Rehab 2021 programmes respectively.

We have submitted these proposals to industry regulator, SPAN under its OP5 Business Plan. We look forward to receiving SPAN's approval, which will enable all proposed pipe rehabilitation programmes to be implemented and completed by end 2022 to achieve the 2023 OP5 NRW target level of 22%.

RWS has been undertaking NRW projects in Johor successfully in a holistic manner since its inception in 2005 and has reduced NRW from over 37% in 2005 to 24.11% as at 31 December 2019.

Internationally, RWT operates 12 industrial wastewater treatment plant in China totalling 227MLD (via joint venture with SIIC (a state-owned entity) and 10 water and wastewater treatment plants and reclamation plant with industrial park developers and other private enterprises which contribute to the total treatment design capacity of 114 MLD in Thailand.

RWT aims to convert its existing Operations & Maintenance ("O&M") contracts to longer-term ROT concessions. This is consistent with the Group's strategic objective of expanding into the long-term regulated asset business in Thailand. Utilising the same strategy, RWT will continue to pursue potentials across Malaysia and Indochina. The company has previously attempted to expand its regional footprint into Myanmar and Indonesia and going forward will continue to target industrial parks in these countries. Indonesia also remains another prospective market, offering significant potential.

In line with the Company's expansion portfolio in the Environment sector, Ranhill, along with several strategic business partners have formed a Consortium to undertake bidding for the development of "Source-to-Tap" project that aims to extract 10,000 litre per second (lps) sourced from the Jatiluhur dam and supply treated water to 5 regions namely DKI Jakarta, Bekasi City, Bekasi Regency, Karawang Regency and Bogor Regency.

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B3. Prospects (continue)

As for the energy division, we are proposing an extension of the existing concession at our Teluk Salut Power Plant beyond its existing concession end-2029. We had commenced negotiation with the government for the PPA extension and are of the view that a continued competitive tariff will hold us in good stead in renegotiating an extended tenure going forward. Additionally, the energy division is also in discussion with other Ranhill subsidiaries to install ground-mounted solar PV or rooftop solutions to be installed in the latter's respective facilities. The business will be based on the Nett Energy Metering and / or Solar PPA concept where the energy division will develop, finance and operate the solar PV plants on a long-term basis.

Subsidiaries stand to benefit from a stable tariff over the long-term, which enables them to better plan their budget requirements going forward.

We will continue to identify and pursue opportunities towards realising its aspirations of securing 1,000 MW of gas fired capacity by 2022, and 300 MW of Solar PV energy by 2024.

In Sabah, Ranhill remains focused on pursuing opportunities and continue to actively engage key stakeholders towards developing Sabah's energy infrastructure. Issues of low power despatch, insufficient industry activity and continued deferment on power plant generation projects continue to impact growth and expansion. Ranhill's Energy Division looks forward to the expected completion of the Sabah East-West Transmission line in 2023. The transmission line will enable up to 400 MW of additional electricity to be despatched from Sabah's West Coast to the East Coast.

Ranhill also aims to participate in the coming LSS 5 bidding exercise in 2021. The experience gained from the previous participation in LSS 3 and LSS 4 will be useful in enabling more competitive bids going forward. Our shortlisted bid for the 50 MW PV plant attests to our capabilities to compete effectively for LSS projects. Bolstered by this achievement, we will continue to pursue suitable projects under LSS 5.

Outside of Malaysia, Indonesia has projected its energy demand will grow by 5% in 2050, driven by increased domestic, industrial and commercial consumption. Approximately 552.5 gigawatt ("GW") of installed capacity is required by 2050, with 260 GW and 141 GW to be generated from RE sources and gas power plants respectively. We will continue to monitor and review value accretive opportunities within the country.

With the aforementioned growth prospects, Ranhill is exploring the possibility of a secondary listing on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") by way of an introduction to broaden its investor base and gain access to an additional platform for future fund raising to finance the Company's regional expansion. The Company is also reviewing the new listing due diligence guidelines issued on 13 November 2020 (which took immediate effect) and applicable to all listings (including by way of introduction).

B4. Profit Forecast

Not applicable.

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B5. Taxation

The taxation for the Company for the period under review is as follows:

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2021 RM'000	Preceding year quarter 31.03.2020 RM'000	Current year to date 31.03.2021 RM'000	Preceding year to date 31.03.2020 RM'000
Malaysia taxation:				
Current taxation	8,659	6,586	8,659	6,586
Foreign taxation:				
Current taxation	19	-	19	-
Deferred taxation	80	153	80	153
Deferred taxation				
Current taxation	1,096	7,075	1,096	7,075
(Over)/under provision prior years	(363)	104	(363)	104
	9,491	13,918	9,491	13,918
Zakat				
Zakat expenses	-	250	-	250
	-	250	-	250
	9,491	14,168	9,491	14,168

The Company's effective tax rate (excluding the results of associates and joint venture which are equity accounted net of tax) for the quarter and current year to date were higher than the statutory tax rate substantially due to the non-allowable tax expenses of Sukuk interest.

In 2018, the new Finance Act 2018 which comes into effect on 26 December 2018, introduced a 7-Year Limitation on carry forward of unabsorbed business losses, unutilised reinvestment and investment allowances. Such ruling meant that Ranhill Powertron II can only utilise its unutilised investment allowance against any taxable profit up to year 2025, requiring a potential reversal of deferred tax asset to the income statement of RM42.8 million (2020:RM42.8 million). Ranhill Powertron II, through its tax consultant, has since appealed to the Ministry of Finance ("MoF") to allow Ranhill Powertron II to utilise the investment allowance up to the end of the concession period in year 2032. The appeal is currently under assessment and consideration by the MoF.

Management has consulted its solicitors who have advised that, based on the facts and circumstances of the approval of the investment allowance to RanhillPower II in prior years, it is reasonable for RanhillPower II to place reliance on such approval and continue with the utilisation of the investment allowance in full in accordance with its terms therein. Management, after consultation with the solicitors, is of the opinion that it is likely that the appeal will be successful.

Management evaluates its uncertain tax position in respect of the above item and determines that they meet the more likely than not threshold to continue recognising the deferred tax asset relating to unutilised investment allowance on the basis that any unutilized investment allowance will be available up to year 2032.

B6. Profit/(Loss) Before Taxation

The following items have been included in arriving at profit before taxation:

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2021 RM'000	Preceding year quarter 31.03.2020 RM'000	Current year to date 31.03.2021 RM'000	Preceding year to date 31.03.2020 RM'000
Amortisation of service concession assets	88,671	84,042	88,671	84,042
Amortisation of software	858	411	858	411
Depreciation of property, plant and equipment	9,495	12,728	9,495	12,728
Depreciation of right use of assets	493	610	493	610
Unrealised foreign exchange gain	(1,616)	(1,765)	(1,616)	(1,765)
Realised foreign exchange gain	(78)	(194)	(78)	(194)
Allowance for expected credit losses on: - Trade receivables	387	614	387	614
Property, plant and equipment written off	49	-	49	-
Reversal for liquidated ascertained damages	-	(80)	-	(80)

B7. Status of Corporate Proposal Announced

There are no corporate proposals announced but not completed at the date of this report.

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B8. Group Borrowings

Particular of the Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

	As at year ended 31 March 2021					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Revolving credit	-	9,000	-	-	-	9,000
- Term loan	3,150	-	12,550	-	15,700	-
- Musharakah Medium Term Notes ("mMTN")	-	50,570	-	394,247	-	444,817
- SUKUK	-	45,541	-	502,614	-	548,155
Sub total	3,150	105,111	12,550	896,861	15,700	1,001,972
Unsecured						
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,406	-	10,406
Sub total	-	-	-	10,406	-	10,406
Total borrowing	3,150	105,111	12,550	907,267	15,700	1,012,378
Lease liability		1,866		2,996		4,862
Grand Total	3,150	106,977	12,550	910,263	15,700	1,017,240
						1,032,940

	As at year ended 31 December 2020					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Revolving credit	-	5,000	-	-	-	5,000
- Term loan	3,696	-	13,374	-	17,070	-
- Musharakah Medium Term Notes ("mMTN")	-	50,570	-	394,247	-	444,817
- SUKUK	-	35,799	-	559,959	-	595,758
Sub total	3,696	91,369	13,374	954,206	17,070	1,045,575
Unsecured						
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,406	-	10,406
Sub total	-	-	-	10,406	-	10,406
Total borrowing	3,696	91,369	13,374	964,612	17,070	1,055,981
Lease liability		2,046		3,482		5,528
Grand Total	3,696	93,415	13,374	968,094	17,070	1,061,509
						1,078,579



B9. Changes in Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report except as disclosed below:

On 15th April 2019, the Company has submitted a statement of claim against the Defendant to recover RM7.0 million paid to him as part payment for shares in SM Hydro Energy Sdn Bhd ("SM Hydro"). The Group have been advised by the legal counsel that Dato' Mohd Fakrunizam Bin Ibrahim ("Defendant") had, on 10th April 2019, entered his appearance at the High Court at Kuala Lumpur pursuant to the writ filed by the Company.

On 6th April 2017, parties entered into a share sale and purchase agreement, supplemented by a supplemental share sale and purchase agreement dated 4th July 2017 ("SSPA") whereby the Company agreed to acquire all the shares of SM Hydro from the vendors upon terms and conditions stipulated therein. Announcement on the execution of the SSPA was made on 4th July 2017 and the announcement on the transfer of the shares was made on 11th July 2017. Pursuant to the representations made by the Defendant, the acquisition would allow the Company access to interest in the power project in Sandakan ("Project"). On 12th February 2018, parties to the Project were awarded a conditional award ("CLOA") of the Project. The announcement on the CLOA was made on 12th February 2018. The Company sought to negotiate the terms and conditions stipulated in the CLOA, which were onerous and not commercially viable. However, the request was unsuccessful and the Project was cancelled. By a letter dated 26th October 2018, the Energy Commission issued to the consortium consisting of SM Hydro and Sabah Development Energy (Sandakan) Sdn Bhd ("SDESB") informing SM Hydro and SDESB on the cancellation of the Project. Announcement on the cancellation of the Project was made on 29th October 2018.

Pursuant to the failure to achieve the award of the Project upon satisfactory terms in accordance with the SSPA, the Company terminated the SSPA and is seeking to recover RM7.0 million paid as part payment for shares in SM Hydro.

On 13th June 2019 the Company filed an application under Order 14 Rule 1 Rule of Court 2012 for recovery of RM 7.0 million by way of Summary Judgment (Enclosure 8). Meanwhile on 17th June 2019 the Defendant filed an application under Order 20 rule 5(1) and Order 5 rule 2(1) Rules of Court 2012 to amend its Defence and to include counter claim for the sum of RM14 million (Enclosure 10).

After hearing counsels' submissions for both applications Y.A. Dato' Indera Mohd Sofian bin Tan Sri Abd Razak had on 9th March 2020 made the following decisions:

- i. Learned Judge has allowed the Company's application in Enclosure 8 with RM 3,000 as order for costs.
- ii. In regards to Defendant's application in Enclosure 10, the Learned Judge disallowed proposed amendments to paragraphs 19 and 20 of the Proposed Amended Statement of Defence. The Learned Judge however allowed the Defendant to include Counterclaim of RM14 million against the Company.

The Defendant had served the Defence and Amended Counterclaim to the Company on 19th March 2020. The Company had duly filed Reply to Defence and Defence to Amended Counterclaim re-dated 31st March 2020.



B9. Changes in Material Litigation (continued)

On another development, the Defendant had also filed for an appeal against the High Court's decision in Enclosure 8 to the Court of Appeal and a Notice of Appeal had been served by the Defendant's counsel to the Company on 19th March 2020.

The Company filed an Application to strike out the Defendant's Amended Counterclaim amounting to RM 14 mil (Enclosure 34). The hearing took place on 1.10.2020 where the High Court allowed Company's application with cost of RM 3,000.

The Defendant had also filed appeal against the High Court's decision in allowing Summary Judgement Application by the Company to the Court of Appeal. However the Defendant had filed Appeal Record outside the prescribed time as required under the Rules of the Court of Appeal 1994. To that effect, the Company had filed Striking Out Application on basis of defective appeal in Court of Appeal (Enclosure 5). On the other hand The Defendant/Appellant filed an application for leave to file record of appeal out of time (Enclosure 7). Court of Appeal's Deputy Registrar had fixed both Enclosures 5 and 7 for hearing by way of e-appellate hearing on 27th January 2021. The Court of Appeal had on 27 January 2021 made the following decisions:

- a) Enclosure 5 is allowed with RM 5,000 cost;
- b) Enclosure 7 is dismissed with RM 5,000 cost.

In regards to the enforcement of Summary Judgment obtained against the Defendant, Plaintiff had instructed its Counsel to commence Bankruptcy Proceedings against the Defendant. A Bankruptcy Notice had been advertised in local Malay Newspaper (Berita Harian) dated 12th August 2020 as substituted service of the Notice to the Defendant. The Plaintiff's Counsel had duly filed Creditor's Petition and Affidavit Verifying Petition in Court to commence bankruptcy proceedings. The Creditor's Petition Hearing is scheduled on 30 March 2021.

On the Hearing date the Court has adjourned the Hearing of the Creditor's Petition due to the Defendant has filed the following applications:

- i. Application to set aside the summary judgement (Enclosure 55) on the grounds that the Defendant did not instruct his former solicitors to represent himself in the High Court proceedings and the Defendant is not aware of the judgement obtained against him.
- ii. Application to stay the bankruptcy proceedings (Enclosure 47) pending the disposal of Enclosure 55.

Both matters were fixed for case management on 12.4.2021. During the case management, the Court has made the followings directives in regards to Enclosure 55:

- i. Plaintiff to file its affidavit in reply by 26.4.2021;
- ii. Defendant to file his affidavit in reply by 10.5.2021;
- iii. Parties to simultaneously exchange and file submissions by 24.5.2021;
- iv. Parties to simultaneously exchange and file submissions in reply by 4.6.2021; and

Hearing is fixed on 14.6.2021 before Yang Arif Tuan Mohd Nazlan bin Mohd Ghazali

On 30.4.2021 Ranhill's Counsel advised that the Defendant's application to stay the bankruptcy proceedings pending the setting aside of judgment (Enclosure 47) is fixed for hearing on 17.6.2021. The Creditor's Petition hearing is fixed for case management on 17.6.2021.

We had made a conservative approach to impair RM3.5 million each in Financial Year ended 31 December 2018; Financial Year ended 31 December 2019. In the event of a positive outcome from the suit, the whole RM7.0 million will be written back.

**B9. Changes in Material Litigation (continued)**

None of the directors, major shareholders and persons connected with the directors and major shareholders of the Company has any interest, direct or indirect, in the above matter.

The Company will make further announcement if there are any material development in respect of the above matter.

B10. Dividend Payable

The following dividend has been declared (payable by 31 March 2021) in respect of the financial year ended 31 December 2020:

- (a) Third interim dividend has been declared on 29 March 2021 by way of dividend-in-specie to the shareholders of 1 share dividend for every 100 ordinary shares. The value of the share dividend per the Company treasury share is equivalent to a gross cash dividend of 0.84 sen per share. The share dividend of amounted 10,618,163 will be distributed to shareholders from Company treasury shares on 21 May 2021.

B11. Earnings per Share

The calculation of the earnings per share for the Group is based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue.

For the purpose of calculating diluted earnings per share, the profit attributable to owners of the Company for the year and the weighted average number of ordinary shares issued during the financial year has been adjusted for the dilutive effects of all potential ordinary shares such as the LTIP granted to employees.

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Quarter 31.03.2020 RM'000	Current Year-To-Date 31.03.2021 RM'000	Preceding Year-To-Date 31.03.2020 RM'000
<u>Basic earnings per share</u>				
Net profit attributable to ordinary shares	7,298	18,190	7,298	18,190
Weighted Average Number of Ordinary Shares in use ('000)	1,063,330	1,069,793	1,063,330	1,069,793
Basic earnings per share (sen)	0.69	1.70	0.69	1.70



B11. Earnings per Share (continued)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Quarter 31.03.2020 RM'000	Current Year-To-Date 31.03.2021 RM'000	Preceding Year-To-Date 31.03.2020 RM'000
<u>Diluted earning per share</u>				
Net profit attributable to ordinary shares	7,298	18,190	7,298	18,190
Weighted Average Number of Ordinary Shares in use ('000)	1,063,330	1,069,793	1,063,330	1,069,793
Adjustment for LTIP ('000)	1,880	-	1,880	-
Weighted Average Number of Ordinary Shares for diluted earnings per shares ('000)	1,065,210	1,069,793	1,065,210	1,069,793
Diluted earnings per share (sen)	0.69	1.70	0.69	1.70

By Order of the Board
Lau Bey Ling
Leong Shiak Wan
Company Secretaries
Kuala Lumpur
Date: 28 May 2021