

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2021



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	NOTE	Individual Quarter		Cummulative Period	
		Current year quarter 30/06/2021 RM'000	Preceding year quarter 30/06/2020 RM'000	Current year to date 30/06/2021 RM'000	Preceding year to date 30/06/2020 RM'000
Revenue		365,612	368,878	729,375	737,159
Cost of sales		(281,410)	(281,034)	(561,768)	(548,082)
Gross profit		84,202	87,844	167,607	189,077
Other items of income					
Interest income		13,453	11,750	27,080	25,403
Other income		1,254	1,891	5,867	6,664
Other items of expense					
Admin/Operating expenses		(54,148)	(61,333)	(114,218)	(121,354)
Finance costs		(22,444)	(20,257)	(45,638)	(42,203)
Share of results of associates		2,706	4,579	6,885	8,417
Profit before tax and zakat		25,023	24,474	47,583	66,004
Income tax expense and zakat	B5	(11,932)	(3,731)	(21,423)	(17,899)
Profit net of tax		13,091	20,743	26,160	48,105
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		188	2,305	2,227	3,500
Remeasurement of defined benefit liability			(4,407)		(4,407)
Total other comprehensive income		188	(2,102)	2,227	(907)
Total comprehensive income for the period/year		13,279	18,641	28,387	47,198
Profit net of tax attributable to:					
Owners of the parent		9,051	13,188	16,349	31,378
Non-controlling interests		4,040	7,555	9,811	16,727
		13,091	20,743	26,160	48,105
Total comprehensive income attributable to:					
Owners of the parent		9,246	11,086	18,583	30,471
Non-controlling interests		4,033	7,555	9,804	16,727
		13,279	18,641	28,387	47,198
Earnings per share (sen):					
Basic	B11	0.85	1.24	1.54	2.94
Diluted		0.85	N/A	1.53	N/A
EBITDA (includes amortisation of services concession assets)		136,349	134,688	267,993	282,030
EBIT		34,014	38,085	66,141	87,658

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 30/06/2021 RM'000	Audited As at 31/12/2020 RM'000
Non-current assets		
Property, plant and equipment	225,947	222,434
Service concession assets	896,711	-
Intangibles	309,969	308,579
Rights of use of assets	8,384	9,079
Deferred tax assets	38,780	40,874
Investment in an associates	198,587	180,447
Operating financial assets	507,729	549,092
Trade and other receivables	100,798	146,156
Other non-current assets	9,269	10,077
	<u>2,296,174</u>	<u>1,466,738</u>
Current assets		
Operating financial assets	79,488	77,490
Trade and other receivables	276,280	309,012
Contract related assets	54,586	32,154
Inventories	99,698	88,853
Tax recoverable	3,829	7,281
Other current assets	19,082	13,770
Other financial assets	20,371	55,673
Deposits, cash and bank balances	194,123	258,245
	<u>747,457</u>	<u>842,478</u>
Total assets	<u>3,043,631</u>	<u>2,309,216</u>
Current liabilities		
Retirement benefit obligations	12,778	10,634
Loans and borrowings	102,778	97,111
Trade and other payables	217,118	260,784
Contract related liabilities	453	779
Service concession obligations	328,208	-
Tax payable	7,708	4,619
	<u>669,043</u>	<u>373,927</u>
Net current assets	<u>78,414</u>	<u>468,551</u>



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

	Unaudited As at 30/06/2021 RM'000	Audited As at 31/12/2020 RM'000
Non-current liabilities		
Retirement benefit obligations	72,918	76,461
Loans and borrowings	887,901	981,468
Trade and other payables	2,151	3,851
Service concession obligations	527,710	-
Consumer deposits	250,080	253,327
Deferred tax liabilities	25,946	27,554
	<u>1,766,706</u>	<u>1,342,661</u>
Total liabilities	<u>2,435,749</u>	<u>1,716,588</u>
Net assets	<u>607,882</u>	<u>592,628</u>
Equity attributable to owners of the parent		
Share capital	1,282,907	1,282,907
Treasury shares	(1,872)	(6,277)
Employee share reserve	714	459
Other reserves	(887,194)	(889,428)
Retained earnings	83,691	76,312
	<u>478,246</u>	<u>463,973</u>
Non-controlling interests	129,636	128,655
Total equity	<u>607,882</u>	<u>592,628</u>
Total equity and liabilities	<u>3,043,631</u>	<u>2,309,216</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.45</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							16,349	16,349	9,811	26,160
Other comprehensive income	-	-	-	2,234	-	-	-	2,234	(7)	2,227
Total comprehensive income	-	-	-	2,234	-	-	16,349	18,583	9,804	28,387
Transaction with owners										
-Purchase of treasury shares	-	(4,565)	-	-	-	-	-	(4,565)	-	(4,565)
- Long-term incentive plan ("LTIP")										
- share-based payment expenses	-	-	255	-	-	-	-	255	-	255
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	-	(98)	(98)
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(725)	(725)
-Dividends paid via:										
- distribution of treasury shares	-	8,970	-	-	-	-	(8,970)	-	-	-
- cash	-	-	-	-	-	-	-	-	(8,000)	(8,000)
Total transaction with owners	-	4,405	255	-	-	-	(8,970)	(4,310)	(8,823)	(13,133)
At 30 June 2021	1,282,907	(1,872)	714	17,758	1,063	(906,015)	83,691	478,246	129,636	607,882

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Share capital RM'000	Treasury shares RM'000	Currency translation reserves RM'000	component of convertible loan stock RM'000	Merger reserve/ (deficit) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity 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	-	-	-	-	-	31,378	31,378	16,727	48,105
Others comprehensive income	-	-	3,500	-	-	(4,407)	(907)	-	(907)
Total comprehensive income	-	-	3,500	-	-	26,971	30,471	16,727	47,198
Transaction with owners									
-Issuance of share pursuant to dividend reinvestment plan ("DRP")	7,588	-	-	-	-	-	7,588	-	7,588
-Purchase of treasury shares	-	(8,695)	-	-	-	-	(8,695)	-	(8,695)
-Acquisition of subsidiary	-	-	-	-	-	-	-	221	221
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	(89)	(89)
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	(725)	(725)
-Dividends on ordinary shares	-	-	-	-	-	(21,384)	(21,384)	(13,800)	(35,184)
Total transaction with owners	7,588	(8,695)	-	-	-	(21,384)	(22,491)	(14,393)	(36,884)
At 30 June 2020	1,282,907	(8,695)	16,507	1,063	(906,015)	91,116	476,883	144,637	621,520

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 SECOND QUARTER
ENDED 30 JUNE 2021



Ranhill

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	6 months ended 30/06/2021 RM'000	6 months ended 30/06/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	47,583	66,004
Adjustments for:		
Depreciation of property, plant and equipment	19,597	26,096
Depreciation of right-use-of asset	1,019	1,255
Net (gain)/loss on disposal of property, plant and equipment	(8)	(65)
Net (gain)/loss on disposal of right-use-of asset	(4)	136
Property, plant and equipment written off	82	7
Amortisation of service concession asset	179,342	166,077
Amortisation of software	1,894	944
Share of results of associates	(6,885)	(8,417)
Share based payment expenses	255	-
Bad debts written off	-	17
Bad debts recovered	(18)	-
Provision for retirement benefit plan	3,159	3,411
Inventories written off	42	-
Net unrealised foreign exchange (gain)/loss	(2,858)	(1,627)
Allowance for expected credit losses on:		
-Trade receivables	387	614
Provision/(reversal) for liquidated ascertained damages	(167)	189
Interest income	(27,080)	(25,403)
Finance costs	45,638	42,203
Operating profit before working capital changes	<u>261,978</u>	<u>271,441</u>
Receivables	76,405	(64,149)
Payables	(102,681)	(64,342)
Inventories	(10,887)	(16,057)
Operating financial asset	61,593	44,039
Contract related assets	(32,298)	4,048
Contract related liability	(326)	6,955
Other non-current and current asset	<u>(4,504)</u>	<u>(3,516)</u>
Cash generated from operations	249,280	178,419
Retirement benefits plan paid	(4,509)	(4,360)
Tax paid	(14,396)	(18,658)
Zakat paid	-	(1,250)
Repayment of lease rental payable to PAAB	<u>(179,194)</u>	<u>(170,735)</u>
Net cash generated from/(used in) operating activities	<u>51,181</u>	<u>(16,584)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,361)	(22,889)
Purchase of right-of-use assets	-	(395)
Proceeds from disposal of property, plant and equipment	14	66
Proceeds from disposal of right-of-use assets	81	-
Net cashoutflow effect on acquisition of subsidiary	-	234
(Acquisition)/disposal of short term investments	35,302	46,817
Purchase of software	(3,284)	(2,991)
Interest received	<u>1,372</u>	<u>6,160</u>
Net cash generated from investing activities	<u>20,124</u>	<u>27,002</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2021



Ranhill

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (continued) ⁽¹⁾	6 months ended 30/06/2021 RM'000	6 months ended 30/06/2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal of fixed deposits with banking facilities	29,422	148,042
Drawdown of loans and borrowings	4,000	(1)
Repayment of lease liabilities	(1,095)	(1,453)
Repayment of principal portion of loans and borrowings	(92,214)	(109,963)
Purchase of treasury shares	(4,565)	(8,695)
Dividends paid	(8,000)	(55,916)
Repayment of interest portion of loans and borrowings	(33,881)	(19,367)
Net cash used in financing activities	<u>(106,333)</u>	<u>(47,353)</u>
Net decrease in cash and cash equivalents	(35,028)	(36,935)
Effect of exchange rate changes on cash and cash equivalents	(1,932)	(6,539)
Cash and cash equivalents at beginning of year	118,853	167,302
Cash and cash equivalents at end of the period	<u>81,893</u>	<u>123,828</u>
Cash and cash equivalents at end of financial period comprise the following:		
Cash at banks and on hand	61,815	62,432
Short term deposits with licensed banks	132,308	200,124
Total deposits, cash and bank balances	<u>194,123</u>	<u>262,556</u>
Bank overdraft	(2,260)	(180)
Restricted deposits, cash and bank balances	(103,089)	(120,902)
Deposit pledge as securities to licensed bank	(5,905)	(533)
Deposit with maturities of three months or more	(976)	(17,113)
Cash and cash equivalents	<u>81,893</u>	<u>123,828</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 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)	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) As at 30 June 2021, the Company held 2,391,763 repurchased shares as treasury shares (post distribution of share dividends to shareholder on 16 October 2020 (10,617,974 treasury shares) and 21 May 2021 (10,618,163 treasury shares)). The treasury shares are held at a carrying amount of RM1,871,766.

A8. Dividend Paid

During the period ended 30 June 2021, the following dividend has been distributed:

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 has been distributed to shareholders from Company treasury shares on 21 May 2021.

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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 30 June 2021:

BY BUSINESS SEGMENTS	Environment RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	624,439	104,936	35,865	765,240
Inter-segment elimination	-	-	(35,865)	(35,865)
	624,439	104,936	-	729,375
Results				
Segment profit/(loss)	68,267	5,740	(47,847)	26,160
Segment assets	2,166,273	780,622	96,736	3,043,631
Segment liabilities	1,407,057	467,647	561,045	2,435,749
Proforma scenario				
Results				
Segment profit/(loss)	68,267	5,740	(47,847)	26,160
Add/(less): Sukuk interest	(16,519)	(1,522)	18,041	-
Adjusted segment profit/(loss)	51,748	4,218	(29,806)	26,160
Segment assets	2,166,273	780,622	96,736	3,043,631
Add/(less): Bank balances related to Sukuk	44,980	4,144	(49,124)	-
Adjusted segment Assets	2,211,253	784,766	47,612	3,043,631
Segment liabilities	1,407,057	467,647	561,045	2,435,749
Add/(less): Sukuk loan	510,162	47,003	(557,165)	-
Adjusted segment liabilities	1,917,219	514,650	3,880	2,435,749

A9. Segmental Information (continued)

For the period ended 30 June 2020:

BY BUSINESS SEGMENTS	Environment RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue				
Sales to external customers	607,365	129,794	69,940	807,099
Inter-segment elimination	-	-	(69,940)	(69,940)
	607,365	129,794	-	737,159
Results				
Segment profit/(loss)	79,675	15,742	(47,312)	48,105
Segment assets	1,480,437	1,114,621	109,588	2,704,646
Segment liabilities	726,089	571,590	596,545	1,894,224
Proforma scenario				
Results				
Segment profit/(loss)	79,675	15,742	(47,312)	48,105
Add/(less): Sukuk interest	(17,726)	(1,633)	19,359	-
Adjusted segment profit/(loss)	61,949	14,109	(27,953)	48,105
Segment assets	1,480,437	1,114,621	109,588	2,704,646
Add/(less): Bank balances related to Sukuk	63,551	5,855	(69,406)	-
Adjusted segment assets	1,543,988	1,120,476	40,182	2,704,646
Segment liabilities	726,089	571,590	596,545	1,894,224
Add/(less): Sukuk loan	542,887	50,018	(592,905)	-
Adjusted segment liabilities	1,268,976	621,608	3,640	1,894,224

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A9. Segmental Information (continued)

Environment segment

- Year to date revenue generated of RM624.4 million (2020: RM607.4 million), increased by RM17.0 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 RM68.3 million (2020: RM79.7 million) a decreased of RM11.4 million compared to its preceding year mainly due to lower contribution by Ranhill SAJ resulted from higher lease rental of RM13.3 million.

Energy segment

- Revenue of RM104.9 million (2020: RM129.8 million), a decreased of RM24.9 million compared to its preceding year mainly due to lower tariff in Ranhill Powertron (“RPI”) post completion of loan repayment.

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:

	30.06.2021 RM'000	31.12.2020 RM'000
Approved and contracted for	4,177	351
Approved but not contracted for	22,657	4,575
	26,834	4,926

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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 as disclosed below:

- (a) The Company had completed the purchase of its issued ordinary shares of 5,841,000 from the open market. Therefore, the total of treasury shares as at 24 August 2021 is 8,232,763.
- (b) On 16 July 2021, the Company had completed the below event :
 - (i) Acquisition of 100% equity interest in Ranhill Bersekutu Sdn Bhd for a purchase consideration of RM93,875,000 via issuance of Company's new ordinary shares.
 - (ii) Acquisition of 51% equity interest in Ranhill Worley Sdn Bhd for a purchase consideration of RM117,956,625 via issuance of Company's new ordinary shares.
 - (iii) Diversification of business activities of the Company and its subsidiaries includes the business of infrastructure, chemicals, resources and energy.

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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 30.06.2021 RM'000	Preceding year quarter 30.06.2020 RM'000		Current year to date 30.06.2021 RM'000	Preceding year to date 30.06.2020 RM'000	
Revenue	365,612	368,878	-0.9%	729,375	737,159	-1.1%
Operating profit	31,308	28,402	10.2%	59,256	74,387	-20.3%
Profit Before Interest, Tax and Zakat	34,014	32,981	3.1%	66,141	82,804	-20.1%
Profit Before Tax and Zakat	25,023	24,474	2.2%	47,583	66,004	-27.9%
Profit After Tax	13,091	20,743	-36.9%	26,160	48,105	-45.6%
Profit Attributable to Ordinary Equity Holder of the Parent	9,051	13,188	-31.4%	16,349	31,378	-47.9%

For the quarter and period ended 30 June 2021, the Group recorded a revenue of RM365.6 million and RM729.4 million respectively (Q22020 : RM368.9 million, YTD2020 : RM737.2 million) while profit attributable to ordinary equity holder of the parent of RM9.0 million and RM16.3 million respectively (Q22020 : RM13.2 million, YTD2020: RM31.4 million).

The decrease in revenue for the quarter and year to date (vs prior year corresponding quarter) were mainly contributed by lower revenue (Q2:RM12.6 million, YTD: RM24.9 million) in Energy segment mainly attributed by lower tariff in RPI post loan completion.

Profit attributable to ordinary equity holder of the parent for the quarter decreased by RM4.1 million (compared to preceding year's quarter) mainly due to lower profit contributed by Energy Segment (RM3.9 million).

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B2. Comparison of Results for Current Quarter Ended 30 June 2021 Compared to the Immediate Preceding Quarter

	Individual Quarter		Changes %
	Current year quarter 30.06.2021 RM'000	Immediate preceding quarter 31.03.2021 RM'000	
Revenue	365,612	363,763	0.5%
Operating Profit	31,308	27,948	12.0%
Profit Before Interest, Tax and Zakat	34,014	32,127	5.9%
Profit Before Tax and Zakat	25,023	22,560	10.9%
Profit/(loss) After Tax	13,091	13,069	0.2%
Profit/(loss) Attributable to Ordinary Equity Holder of the parent	9,051	7,298	24.0%

The Group recorded revenue of RM365.6 million in the current quarter compared to its immediate preceding quarter's revenue of RM363.8 million, a slight increase of RM1.8 million or 0.5%, mainly attributed by RWS.

The profit attributable to ordinary equity holder of the parent for the current quarter has increased by RM1.7 million from profit of RM7.3 million in quarter 1 FY2021 to a profit of RM9.0 million mainly contributed by higher profit from RWS (RM3.5 million) offsetted by lower profit by Energy Segment (RM1.8 million).

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B3. Prospects

Management will continue to implement the necessary austerity measures without jeopardising operations and services. Given the outbreak and the political uncertainty, 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 30.06.2021 RM'000	Preceding year quarter 30.06.2020 RM'000	Current year to date 30.06.2021 RM'000	Preceding year to date 30.06.2020 RM'000
Malaysia taxation:				
Current taxation	11,975	4,539	20,634	11,125
(Over)/under provision prior years	220	(85)	220	(85)
Foreign taxation:				
Current taxation	61	-	80	-
Deferred taxation	79	2	159	155
Deferred taxation				
Current taxation	(422)	4,334	674	11,409
(Over)/under provision prior years	19	45	(344)	149
	11,932	8,835	21,423	22,753
Zakat				
Zakat expenses	-	-	-	250
Overprovision in prior year	-	(5,104)	-	(5,104)
	-	(5,104)	-	(4,854)
	11,932	3,731	21,423	17,899

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.

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.

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B6. Profit/(Loss) Before Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30.06.2021 RM'000	Preceding year quarter 30.06.2020 RM'000	Current year to date 30.06.2021 RM'000	Preceding year to date 30.06.2020 RM'000
Amortisation of service concession assets	90,671	82,057	179,342	166,077
Amortisation of software	1,036	533	1,894	944
Depreciation of property, plant and equipment	10,102	13,368	19,597	26,096
Depreciation of right use of assets	526	645	1,019	1,255
Unrealised foreign exchange (gain)/loss	(1,242)	138	(2,858)	(1,627)
Realised foreign exchange (gain)/loss	(77)	33	(155)	(161)
Allowance for expected credit losses on: - Trade receivables	-	-	387	614
Property, plant and equipment written off	33	7	82	7
(Reversal)/Provision for liquidated ascertained damages	(167)	269	(167)	189

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 period ended 30 June 2021					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank overdraft		2,260	-	-	-	2,260
- Revolving credit	-	9,000	-	-	-	9,000
- Term loan	2,677	-	11,638	-	14,315	-
- Musharakah Medium Term Notes ("mMTN")	-	40,737	-	351,877	-	392,614
- SUKUK	-	46,290	-	510,875	-	557,165
Sub total	2,677	98,287	11,638	862,752	14,315	961,039
Unsecured						
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,504	-	10,504
Sub total	-	-	-	10,504	-	10,504
Total borrowing	2,677	98,287	11,638	873,256	14,315	971,543
Lease liability	144	1,670	302	2,705	446	4,375
Grand Total	2,821	99,957	11,940	875,961	14,761	975,918
						990,679

	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

Below are the updates:

- A. Defendant's application to set aside the Judgment dated 9.3.2020 (Enclosure 55)
 - 1. On 14.6.2021 Yang Arif Tuan Mohd Nazlan Bin Mohd Ghazali dismissed Enclosure 55 with costs of RM 5,000 to be paid by the Defendant to Plaintiff.
 - 2. On 15.6.2021 the Defendant filed a Notice of Appeal against the decision made by Yang Arif Tuan Mohd Nazlan Bin Mohd Ghazali to the Court of Appeal.



B9. Changes in Material Litigation (continued)

- B. Bankruptcy Proceedings filed by Ranhill against Mohd Fakrunizam Bin Ibrahim (MFBI)
1. On 17.6.2021 MFBI's application to stay the bankruptcy proceedings pending the setting aside of judgment dated 9.3.2020 (Enclosure 47) has been struck out with costs of RM500 to be awarded to Ranhill.
 2. In a recent case management on 12.7.2021 Counsel advised the followings:
 - i. Another stay of bankruptcy proceedings application pending MFBI's appeal to the Court of Appeal (as described in item A 2 above) has been filed and the application is fixed for hearing on 26.8.2021.
 - ii. that the Creditor's Petition hearing date originally fixed on 3.8.2021 is now vacated.

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.

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

There was no dividend payable for the period ended 30 June 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.

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B11. Earnings per Share (continued)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Quarter 30.06.2020 RM'000	Current Year-To-Date 30.06.2021 RM'000	Preceding Year-To-Date 30.06.2020 RM'000
<u>Basic earnings per share</u>				
Net profit attributable to ordinary shares	9,051	13,188	16,349	31,378
Weighted Average Number of Ordinary Shares in use ('000)	1,065,904	1,066,470	1,064,625	1,068,131
Basic earnings per share (sen)	0.85	1.24	1.54	2.94
<u>Diluted earning per share</u>				
Weighted Average Number of Ordinary Shares in use ('000)	1,065,904	1,066,470	1,064,625	1,068,131
Adjustment for LTIP ('000)	2,186	-	2,186	-
Weighted Average Number of Ordinary Shares for diluted earnings per shares ('000)	1,068,090	1,066,470	1,066,811	1,068,131
Diluted earnings per share (sen)	0.85	1.24	1.53	2.94

By Order of the Board
Lau Bey Ling
Leong Shiak Wan
Company Secretaries
Kuala Lumpur
Date: 30 August 2021