

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2022



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	NOTE	Individual Quarter		Cummulative Period	
		Current year quarter 31/03/2022 RM'000	Preceding year quarter 31/03/2021 RM'000	Current year to date 31/03/2022 RM'000	Preceding year to date 31/03/2021 RM'000
Revenue		393,415	363,763	393,415	363,763
Cost of sales		(297,419)	(280,358)	(297,419)	(280,358)
Gross profit		95,996	83,405	95,996	83,405
Other items of income					
Interest income		14,911	13,627	14,911	13,627
Other income		2,005	4,613	2,005	4,613
Other items of expense					
Admin/Operating expenses		(76,987)	(60,070)	(76,987)	(60,070)
Finance costs		(19,356)	(23,194)	(19,356)	(23,194)
Share of results of associates		2,999	4,179	2,999	4,179
Profit/(loss) before tax and zakat		19,568	22,560	19,568	22,560
Income tax expense and zakat	B5	(7,180)	(9,491)	(7,180)	(9,491)
Profit/(loss) net of tax		12,388	13,069	12,388	13,069
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		1,825	1,788	1,825	1,788
Total other comprehensive income		1,825	1,788	1,825	1,788
Total comprehensive income/(loss) for the period/year		14,213	14,857	14,213	14,857
Profit/(loss) net of tax attributable to:					
Owners of the parent		7,380	7,298	7,380	7,298
Non-controlling interests		5,008	5,771	5,008	5,771
Total comprehensive income/(loss) attributable to:					
Owners of the parent		9,206	9,086	9,206	9,086
Non-controlling interests		5,007	5,771	5,007	5,771
		14,213	14,857	14,213	14,857
Earnings/loss per share (sen):					
Basic	B11	0.57	0.69	0.57	0.69
Diluted		0.57	0.69	0.57	0.69
EBITDA (includes amortisation of services concession assets)		120,196	131,644	120,196	131,644
EBIT		24,013	32,127	24,013	32,127

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 2021 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31/03/2022 RM'000	Audited As at 31/12/2021 RM'000
Non-current assets		
Property, plant and equipment	243,823	244,390
Service concession assets	581,594	664,679
Intangibles	403,931	401,736
Rights of use of assets	22,265	23,367
Deferred tax assets	66,433	65,104
Investment in an associates	213,955	208,616
Operating financial assets	518,484	531,184
Trade and other receivables	101,469	100,519
Contract related assets	4,687	3,897
Other non-current assets	7,558	7,962
	<u>2,164,199</u>	<u>2,251,454</u>
Current assets		
Operating financial assets	65,470	67,925
Trade and other receivables	316,270	337,763
Contract related assets	87,288	85,981
Inventories	124,077	116,694
Tax recoverable	7,571	7,480
Other current assets	20,726	18,725
Other financial assets	55,481	55,336
Deposits, cash and bank balances	306,795	339,825
	<u>983,678</u>	<u>1,029,729</u>
Total assets	<u>3,147,877</u>	<u>3,281,183</u>
Current liabilities		
Retirement benefit obligations	14,917	14,922
Loans and borrowings	152,516	150,474
Trade and other payables	328,017	313,285
Contract related liabilities	6,927	5,070
Service concession obligations	343,332	360,025
Tax payable	9,159	10,320
	<u>854,868</u>	<u>854,096</u>
Net current assets	<u>128,810</u>	<u>175,633</u>

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

	Unaudited As at 31/03/2022 RM'000	Audited As at 31/12/2021 RM'000
Non-current liabilities		
Retirement benefit obligations	70,610	70,244
Loans and borrowings	835,689	893,862
Trade and other payables	5,135	5,121
Service concession obligations	240,324	318,576
Consumer deposits	251,345	251,063
Deferred tax liabilities	28,675	28,341
	<u>1,431,778</u>	<u>1,567,207</u>
Total liabilities	<u>2,286,646</u>	<u>2,421,303</u>
Net assets	<u>861,231</u>	<u>859,880</u>
Equity attributable to owners of the parent		
Share capital	1,438,993	1,438,993
Treasury shares	(6,052)	(7,963)
Employee share reserve	798	671
Other reserves	(880,706)	(882,532)
Retained earnings	135,255	131,625
	<u>688,288</u>	<u>680,794</u>
Non-controlling interests	172,943	179,086
Total equity	<u>861,231</u>	<u>859,880</u>
Total equity and liabilities	<u>3,147,877</u>	<u>3,281,183</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.53</u>	<u>0.58</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 2021 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 2022	1,438,993	(7,963)	671	23,122	361	(906,015)	131,625	680,794	179,086	859,880
Profit net of tax	-	-	-	-	-	-	7,380	7,380	5,008	12,388
Other comprehensive income	-	-	-	1,826	-	-	-	1,826	(1)	1,825
Total comprehensive income	-	-	-	1,826	-	-	7,380	9,206	5,007	14,213
Transaction with owners										
-Purchase of treasury shares	-	(2,396)	-	-	-	-	-	(2,396)	-	(2,396)
-Redemption on CULS	-	-	-	-	-	-	-	-	-	-
- Long-term incentive plan ("LTIP")										
- share-based payment expenses	-	-	127	-	-	-	-	127	-	127
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(250)	(250)
-Dividends paid via:										
- distribution of treasury shares	-	4,307	-	-	-	-	(3,750)	557	-	557
- cash	-	-	-	-	-	-	-	-	(10,900)	(10,900)
Total transaction with owners	-	1,911	127	-	-	-	(3,750)	(1,712)	(11,150)	(12,862)
At 31 December 2021	1,438,993	(6,052)	798	24,948	361	(906,015)	135,255	688,288	172,943	861,231

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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 (as previously stated)	1,282,907	(6,277)	459	15,524	1,063	(906,015)	76,312	463,973	128,655	592,628
Restatement of comparatives	-	-	-	245	-	-	42,668	42,913	7,409	50,322
At 1 January 2021 (restated)	1,282,907	(6,277)	459	15,769	1,063	(906,015)	118,980	506,886	136,064	642,950
Profit net of tax	-	-	-	-	-	-	7,298	7,298	5,771	13,069
Others comprehensive income	-	-	-	1,788	-	-	-	1,788	-	1,788
Total comprehensive income	-	-	-	1,788	-	-	7,298	9,086	5,771	14,857
Transaction with owners										
- Long-term incentive plan ("LTIP")										
- share-based payment expenses	-	-	127	-	-	-	-	127	-	127
-Purchase of treasury shares	-	(2,645)	-	-	-	-	-	(2,645)	-	(2,645)
-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	17,557	1,063	(906,015)	117,308	504,484	140,272	644,756

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 2021 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	3 months ended 31/03/2022 RM'000	3 months ended 31/03/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	19,568	22,560
Adjustments for:		
Depreciation of property, plant and equipment	10,188	9,495
Depreciation of right-use-of asset	1,388	493
Net (gain)/loss on disposal of property, plant and equipment	(12)	-
Property, plant and equipment written off	-	49
Amortisation of service concession asset	83,085	88,671
Amortisation of software	1,070	858
Amortisation of customer contract	452	-
Share of results of associates	(2,999)	(4,179)
Share based payment expenses	127	127
Bad debts recovered	(7)	(10)
Provision for retirement benefit plan	1,409	1,579
Inventories written off	-	42
Net unrealised foreign exchange loss/(gain)	(471)	(1,616)
Reversal allowance for expected credit losses	(9)	-
Allowance for expected credit losses on:		
-Trade receivables	-	387
-Other receivables	(109)	-
Interest income	(14,911)	(13,627)
Finance costs	19,356	23,194
Operating profit before working capital changes	<u>118,125</u>	<u>128,023</u>
Receivables	22,322	81,978
Payables	(9,769)	(89,396)
Inventories	(7,383)	(10,002)
Operating financial asset	29,986	30,857
Contract related assets	(2,097)	(12,341)
Contract related liability	1,857	(404)
Other non-current and current asset	<u>(1,597)</u>	<u>(10,007)</u>
Cash generated from operations	151,444	118,708
Retirement benefits plan paid	(1,058)	(1,224)
Tax paid	(9,427)	(6,739)
Repayment of lease rental payable to PAAB	<u>(73,714)</u>	<u>(89,429)</u>
Net cash generated from operating activities	<u>67,245</u>	<u>21,316</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,783)	(5,946)
Proceeds from disposal of property, plant and equipment	180	2
Disposal of short term investments	(145)	(146)
Purchase of software	(5,091)	(2,054)
Interest received	574	622
Net cash used in investing activities	<u>(14,265)</u>	<u>(7,522)</u>

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Ranhill

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

	3 months ended 31/03/2022 RM'000	3 months ended 31/03/2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal of fixed deposits with banking facilities	(24,073)	19,969
Drawdown of loans and borrowings	2,000	4,000
Repayment of lease liabilities	(910)	(579)
Repayment of principal portion of loans and borrowings	(50,985)	(41,138)
Purchase of treasury shares	(2,396)	(2,645)
Dividends paid	(11,025)	(5,400)
Repayment of interest portion of loans and borrowings	(22,793)	(17,328)
Net cash used in financing activities	<u>(110,182)</u>	<u>(43,121)</u>
Net decrease in cash and cash equivalents	(57,202)	(29,327)
Effect of exchange rate changes on cash and cash equivalents	(734)	(2,238)
Cash and cash equivalents at beginning of year	201,890	118,853
Cash and cash equivalents at end of the period	<u>143,954</u>	<u>87,288</u>

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

Cash at banks and on hand	127,831	44,593
Short term deposits with licensed banks	178,964	162,118
Total deposits, cash and bank balances	<u>306,795</u>	<u>206,711</u>
Bank overdraft	(5,496)	-
Restricted deposits, cash and bank balances	(142,284)	(110,811)
Deposit pledge as securities to licensed bank	(9,061)	(7,636)
Deposit with maturities of three months or more	(6,000)	(976)
Cash and cash equivalents	<u>143,954</u>	<u>87,288</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 2021 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 ("IASB") 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 2021 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 2021.

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 2021.

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

On 1 January 2022, 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 2022.

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

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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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
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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
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 2021.

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.

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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 31 March 2022, the Company held 10,597,665 repurchased shares as treasury shares (post distribution of share dividends to shareholder on 16 October 2020 (10,617,974 treasury shares), 21 May 2021 (10,618,163 treasury shares), 22 October 2021 (6,425,580 treasury shares) and 20 January 2022 (6,411,318 treasury shares). The treasury shares are held at a carrying amount of RM6,052,106.

A8. Dividend Paid

During the period ended 31 March 2022, the following dividend was distributed:

In respect of the financial year ended 31 December 2021:

- (a) Second interim dividend was declared on 29 November 2021 by way of dividend-in-specie to the shareholders of 0.5 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 0.335 sen per share. The share dividend of 6,411,318 was distributed to shareholders from Company treasury shares on 20 January 2022.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
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A9. Segmental Information

Segmental results are summarized as follows with a 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 financial period ended 31 March 2022:

BY BUSINESS SEGMENTS	Environment RM'000	Services RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue					
Sales to external Customers	287,429	78,327	59,721	38,353	463,830
Inter-segment elimination	-	(32,062)	-	(38,353)	(70,415)
	287,429	46,265	59,721	-	393,415
Results					
Segment profit/(loss)	26,977	7,607	3,280	(25,476)	12,388
Segment assets	1,824,094	391,278	839,716	88,588	3,143,676
Segment liabilities	1,141,021	109,765	475,202	556,457	2,282,445
Proforma scenario					
Results					
Segment profit/(loss)	26,977	7,607	3,280	(25,476)	12,388
Add/(less): Sukuk interest	(7,640)	-	(704)	8,344	-
Adjusted segment profit/(loss)	19,337	7,607	2,576	(17,132)	12,388
Segment assets	1,824,094	391,278	839,716	88,588	3,143,676
Add/(less): Bank balances related to Sukuk	66,715	-	6,147	(72,862)	-
Adjusted segment Assets	1,890,809	391,278	845,863	15,726	3,143,676
Segment liabilities	1,141,021	109,765	475,202	556,457	2,282,445
Add/(less): Sukuk loan	460,213	-	42,401	(502,614)	-
Adjusted segment liabilities	1,601,234	109,765	517,603	53,843	2,282,445

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A9. Segmental Information (continued)

For the financial period ended 31 March 2021:

BY BUSINESS SEGMENTS	Environment RM'000	Services RM'000	Energy RM'000	Others RM'000	Total RM'000
(Restated)					
Revenue					
Sales to external customers	293,858	43,683	52,118	6,983	396,642
Inter-segment elimination	-	(25,896)	-	(6,983)	(32,879)
	293,858	17,787	52,118	-	363,763
Results					
Segment profit/(loss)	32,952	2,887	1,986	(24,756)	13,069
Segment assets	2,218,654	19,869	848,422	93,599	3,180,544
Segment liabilities	1,489,151	8,766	526,537	561,656	2,586,110
Proforma scenario					
Results					
Segment profit/(loss)	32,952	2,887	1,986	(24,756)	13,069
Add/(less):					
Sukuk interest	(8,269)	-	(762)	9,031	-
Adjusted segment profit/(loss)	24,683	2,887	1,224	(15,725)	13,069
Segment assets	2,218,654	19,869	848,422	93,599	3,180,544
Add/(less):					
Bank balances related to Sukuk	44,979	-	4,144	(49,123)	-
Adjusted segment assets	2,263,633	19,869	852,566	44,476	3,180,544
Segment liabilities	1,489,151	8,766	526,537	561,656	2,586,110
Add/(less):					
Sukuk loan	501,912	-	46,243	(548,155)	-
Adjusted segment liabilities	1,991,063	8,766	572,780	13,501	2,586,110

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A9. Segmental Information (continued)
Environment segment

- Year to date revenue generated is RM287.4 million (2021: RM293.9 million), a decrease of RM6.5 million compared to its preceding year, mainly due to lower contribution from developers to RanhillSAJ arising from lesser new development in state of Johor.
- Year to date profit after taxation is RM27.0 million (2021: RM33.0 million) a decrease of RM6.0 million compared to its preceding year, mainly due to lower contribution by Ranhill SAJ.

Services segment

- Revenue of RM46.3 million (2021: RM17.8 million), an increase of RM28.5 million compared to its preceding year mainly contributed by newly acquired subsidiaries (Ranhill Bersekutu Sdn Bhd ("RBSB") and Ranhill Worley Sdn Bhd ("RWSB")) which we only acquired in Q3 2021.

Energy segment

- Revenue of RM59.7 million (2021: RM52.1 million), an increase of RM7.6 million compared to its preceding year mainly due to higher energy payment fuel revenue in Ranhill Powertron Sdn Bhd ("RPI") and Ranhill Powertron II Sdn Bhd ("RPII") to compensate the higher diesel consumption (pass through cost) during Petronas gas curtailment during the period.

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:

	31.03.2022 RM'000	31.12.2021 RM'000
Approved and contracted for	29	10,147
Approved but not contracted for	13,166	17,207
	13,195	27,354

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:

- The Company had completed the distribution of share dividends to shareholder on 20 April 2022. Therefore, the total of treasury shares as at 12 May 2022 is 4,177,165.

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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 31.03.2022 RM'000	Preceding year quarter 31.03.2021 RM'000		Current year to date 31.03.2022 RM'000	Preceding year to date 31.03.2021 RM'000	
Revenue	393,415	363,763	8.2%	393,415	363,763	8.2%
Operating profit	21,014	27,948	-24.8%	21,014	27,948	-24.8%
Profit Before Interest, Tax and Zakat	24,013	32,127	-25.3%	24,013	32,127	-25.3%
Profit Before Tax and Zakat	19,568	22,560	-13.3%	19,568	22,560	-13.3%
Profit After Tax	12,388	13,069	-5.2%	12,388	13,069	-5.2%
Profit Attributable to Ordinary Equity Holder of the Parent	7,380	7,298	1.1%	7,380	7,298	1.1%

For the quarter and year ended 31 March 2022, the Group recorded a revenue of RM393.4 million (Q1/YTD2021 : RM363.8 million) while profit/(loss) attributable to ordinary equity holder of the parent are RM7.4 million (Q1/YTD2021 : RM7.3 million).

The increase in revenue for the quarter (against prior year corresponding quarter) substantially due to increase revenue in Services segment contributed by newly acquired subsidiaries (RWSB and RBSB).

Profit attributable to ordinary equity holder of the parent for the quarter improved slightly by RM0.1 million (compared to preceding year's quarter) from RM7.3 million profit in Q1FY2021.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2022**
B2. Comparison of Results for Current Quarter Ended 31 March 2022 Compared to the Immediate Preceding Quarter

	Individual Quarter		Changes %
	Current year quarter 31.03.2022 RM'000	Immediate preceding quarter 31.12.2021 RM'000	
Revenue	393,415	420,897	-6.5%
Operating Profit	21,014	6,530	221.8%
Profit Before Interest, Tax and Zakat	24,013	11,258	113.3%
Profit Before Tax and Zakat	19,568	17,517	11.7%
Profit/(loss) After Tax	12,388	22,023	-43.7%
Profit/(loss) Attributable to Ordinary Equity Holder of the parent	7,380	5,726	28.9%

The Group recorded a revenue of RM393.4 million in the current quarter compared to its immediate preceding quarter's revenue of RM420.9 million, a decrease of RM27.5 million or 6.5%, mainly due to planned shutdown for GT22 Major Inspection ("MI") from 2-28 March 2022 and lower contribution from developers to RanhillSAJ arising from lesser new development in state of Johor.

The profit attributable to ordinary equity holder of the parent for the current quarter increased by RM1.7 million from RM5.7 million recorded in quarter 4 FY2021 to RM7.4 million mainly due to lower overheads at HQ.

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B3. Prospects

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.

RanhillSAJ will continue to expedite pipe rehabilitation and replacement works to realise further reduction in non-revenue water (“NRW”) going forward. Under OP5, RanhillSAJ will continue to focus on building new WTPs and upgrading or expanding existing WTPs. Efforts are also made on pipe rehabilitation and rehab works across Johor. It is hoped that swift budget approvals for proposed WTP works will be provided in the coming financial year.

In the international front, RWHK Ltd operates 12 industrial wastewater treatment plants in China totalling 227MLD (via joint venture with SIIC (a state-owned entity)).

The Group also owns and operates 9 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 112MLD in Thailand. For the existing Operations & Maintenance (“O&M”) contracts, the Group aims to convert these contracts to longer-term Rehabilitate Operate and Transfer (“ROT”) concessions, consistent with its strategic objective of expanding into the long-term regulated asset business in Thailand utilising the same strategy.

RWT (Thai) Ltd and AnuRAK, will continue to pursue opportunities within industrial parks where both companies have a presence, as well as other earmarked industrial parks. Identified locations include the Thai-Chinese Rayong Industrial Zone, IECO and Sahaphat industrial parks. The company’s ability in providing customised solutions and specialized facilities to treat complicated wastewater with complex and demanding waste characteristics will serve as a competitive edge when bidding for contracts.

In line with the Company’s planned expansion 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 7,000 litre per second (approximately 605MLD) sourced from the Jatiluhur dam and supply treated water to 4 regions namely DKI Jakarta, Bekasi City, Bekasi Regency and Bogor Regency. In 2021. The Government of Indonesia recently upgraded the status of the proposal to National Strategic Project thus giving it priority and importance.

The Consortium have submitted the Feasibility Studies (“FS”) to the Ministry of Public Works and Public Housing of Republic of Indonesia (“PUPR”), and is awaiting the acceptance of the FS and the award of ‘Initiator Status’ to the Consortium, before PUPR calls for a tender exercise.

Our energy division is proposing an extension to the PPA for our Teluk Salut Power Plant beyond its existing concession term that expires in 2029. In addition, 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.

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.

B3. Prospects (continued)

On 19 August 2021 Ranhill Solar I Sdn Bhd ("RSI") signed the Large Scale Solar Phase 4 ("LSS4@Mentari") Photovoltaic PPA with Tenaga Nasional Berhad ("TNB"). This project was secured through competitive open tender exercise conducted by the Energy Commission. RSI will design, construct, own, operate and maintain a solar photovoltaic energy generating facility with the capacity of 50MWa.c. (the "Facility") at Batang Padang, Perak.

Our newly acquired subsidiary, Ranhill Bersekutu Sdn Bhd ("RBSB"), an engineering and project management entity with over 40 years of experience in development of large scale project has been appointed as the main engineering, procurement, construction and commissioning ("EPCC") contractor for this project.

On 20th January 2022, RSI has received Development Order ("DO") from Majlis Daerah Tapah. Arising from the approval of final DO, RBSB has commenced land clearing, site setup etc. In addition, RSI is in the process of funds raising exercise for the solar project and is expected to achieve financial close ("FC") by end of June 2022. RSI has also issued the Notice to Proceed to the EPCC Contractor to commence the project. The solar project is targeted to be completed by 30th June 2023, six months earlier than PPA Scheduled Operation Date.

The successful tender of LSS4@Mentari is Ranhill's first venture into asset ownership of large scale solar project. Ranhill views this Project as a step in the right direction as the Group pursues development of renewable energy in helping to contribute to the country's energy transition to a cleaner and greener Malaysia.

On 29 April 2022 Ranhill submitted a tender for the Request For Proposal called by the Energy Commission for the development of 100MW Combined Cycle Gas Turbine ("CCGT") plant at West Coast Sabah. The project is expected to achieve first Commercial Operation Date ("COD") on 1 April 2024 and final COD on 1 January 2025.

Following the easing of containment measures under the National Recovery Plan, Malaysia economy registered a positive growth of 3.6% in the 4th quarter of 2021 supported mainly by an improvement in domestic demand as economic activity normalised. We expect that our services sector will be able to ride on the economy recovery and bringing greater opportunities and fresh impetus for the Group.

Ranhill Water Services Sdn Bhd ("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 25.1% as at 31 December 2021. Under RMK12, the federal government provides funding for NRW works through matching grants for state water operators with lower than 40% NRW level (Approach 2).

The aforementioned scenario presents RWS an opportunity to propose comprehensive NRW programs to all state water operators categorised under Approach 2 of the Matching Grant programmed. These states are Johor, Melaka, Selangor, Perak, Penang and Terengganu. Aside from state governments, RWS will also engage government ministries and agencies as well as private sector players to undertake NRW related projects. RWS has been actively participating in PAAB issued tenders for Pipe Replacement works and has so far secured four contracts under these scopes of works.

B3. Prospects (continued)

RWS has been actively participating in PAAB issued tenders for Pipe Replacement works and has so far secured four contracts under the scope of works.

Another identified focus area for Ranhill's Services sector is the provision of Engineering, Procurement and Constructions management ("EPCM") related expertise for the oil and gas sector, operations and maintenance of late-life industry assets. The EPCM services also include the contract for ExxonMobil work pack preparation, material management, construction planning/reporting, and offshore field engineering services for ExxonMobil's offshore assets.

The Services sector will also explore enhanced oil recovery projects, essentially the revitalisation of marginal oilfields. Many offshore assets in Malaysia are reaching their end-of-life and with that, there are for Ranhill to offer its operations and maintenance solutions. Ranhill, through Ranhill Worley Sdn Bhd can leverage the world-class expertise and technical skills of the Worley Group, a proven industry leader for engineering and design works in the oil and gas sector. Specifically, Worley has proven capabilities in successfully revitalizing marginal oilfields in the UK.

On a separate note, RBSB's reputation as a leading engineering and infrastructure solution specialist, has been built on a track-record of having contributed to various nation-building projects across Malaysia. These include the Kuala Lumpur International Airport, KLCC and reference design of the KL Singapore High Speed Rail and more.

The aforementioned global expertise coupled with innovative technologies and inherent experience gained from a credible project track record will enable Ranhill to offer cost competitive, value driven solutions. The Group intends to bid for projects where its technical capabilities and industry experience can contribute distinctive value and strategic advantage to project owners.

Ranhill shall continue to make strides towards realising its target of attaining 3,000 MLD of water, wastewater and reclaimed water treatment capacity by 2024, with 400 MLD coming from international operations. We shall also continue to pursue our energy target of having 1,000 MW of generation capacity and 300MW of renewable capacity.

B4. Profit Forecast

Not applicable.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2022**
B5. Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2022 RM'000	Preceding year quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year to date 31.03.2021 RM'000
Malaysia taxation:				
Current taxation	8,601	8,659	8,601	8,659
(Over)/under provision prior years	-	-	-	-
Foreign taxation:				
Current taxation	30	19	30	19
Deferred taxation	21	80	21	80
Deferred taxation				
Current taxation	(1,472)	1,096	(1,472)	1,096
(Over)/under provision prior years	-	(363)	-	(363)
	7,180	9,491	7,180	9,491

The Company's effective tax rate (excluding the results of associates 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 RM47.5 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 Ranhill Powertron II in prior years, it is reasonable for Ranhill Powertron 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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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022
B6. Profit/(Loss) Before Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2022 RM'000	Preceding year quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year to date 31.03.2021 RM'000
Amortisation of service concession assets	83,085	88,671	83,085	88,671
Amortisation of software	1,070	858	1,070	858
Amortisation of Customer contract	452	-	452	-
Depreciation of property, plant and equipment	10,188	9,495	10,188	9,495
Depreciation of right use of assets	1,388	493	1,388	493
Unrealised foreign exchange gain	(471)	(1,616)	(471)	(1,616)
Realised foreign exchange gain	82	(78)	82	(78)
Reversal of allowance for expected credit losses on:				
- Trade receivables	9	-	9	-
Allowance for expected credit losses on:				
- Trade receivables	-	387	-	387
- Associates	(109)	-	(109)	-
Property, plant and equipment written off	-	49	-	49

Pursuant to discussion with Pengurusan Aset Air Berhad (“PAAB”), Suruhanjaya Perkhidmatan Air Negara and MoF, a waiver of RM3.7 million per month was granted to RanhillSAJ arising from waiver of lease rental payment related to rural water supply development loan which was part of service concession assets transferred to PAAB in 2009.

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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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2022**
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 31 March 2022					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank overdraft	162	2,921	-	-	162	2,921
- Revolving credit	-	11,000	-	-	-	11,000
- Term loan	3,626	40,000	7,280	-	10,906	40,000
- Musharakah Medium Term Notes ("mMTN")	-	40,871	-	353,377	-	394,248
- SUKUK	-	45,950	-	456,663	-	502,613
Sub total	3,788	140,742	7,280	810,040	11,068	950,782
Unsecured						
- Bank overdraft	-	2,413	-	-	-	2,413
- Convertible unsecured loan stocks ("CULS")	-	-	-	6,664	-	6,664
Sub total	-	2,413	-	6,664	-	9,077
Total borrowing	3,788	143,155	7,280	816,704	11,068	959,859
Lease liability	147	5,426	184	11,521	331	16,947
Grand Total	3,935	148,581	7,464	828,225	11,399	976,806
						988,205

	As at year ended 31 December 2021					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank overdraft	-	2,270	-	-	-	2,270
- Revolving credit	-	9,000	-	-	-	9,000
- Term loan	3,544	40,248	8,269	-	11,813	40,248
- Musharakah Medium Term Notes ("mMTN")	-	40,871	-	353,377	-	394,248
- SUKUK	-	46,517	-	513,442	-	559,959
Sub total	3,544	138,906	8,269	866,819	11,813	1,005,725
Unsecured						
- Bank overdraft	-	2,393	-	-	-	2,393
- Convertible unsecured loan stocks ("CULS")	-	-	-	6,664	-	6,664
Sub total	-	2,393	-	6,664	-	9,057
Total borrowing	3,544	141,299	8,269	873,483	11,813	1,014,782
Lease liability	144	5,487	220	11,890	364	17,377
Grand Total	3,688	146,786	8,489	885,373	12,177	1,032,159
						1,044,336

B9. Changes in Material Litigation

Save as disclosed below, as at the date of this report, 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,.

On 15th April 2019, the Company submitted a statement of claim against the Defendant to recover RM7.0 million paid to him as part payment for shares in the acquisition of SM Hydro Energy Sdn Bhd ("SM Hydro"). The suit was initiated upon the termination of the Share Sale and Purchase Agreement ("SSPA"), a result of the failure of SM Hydro to secure the award of a power project to satisfactory terms in accordance with the SSPA. The Group is seeking to recover RM7.0 million paid as part payment for the acquisition of shares in SM Hydro.

The Group was successful in the suit, however several appeals were made by the Defendant, as follows:

- A. Defendant's application to set aside the Judgment dated 9.3.2020 (Enclosure 55) is fixed for hearing on 27.7.2022 by The Court of Appeal.
- B. Bankruptcy Proceedings filed by Company against Mohd Fakrunizam Bin Ibrahim (MFBI) with the Creditor's Petition fixed for a case management on 28.7.2022.
- C. MFBI filed a Civil Suit against his previous Counsel M/s Hanif Abdul Rahman & Associates and Company. On 15.9.2021 Company was advised that MFBI had filed a suit in KL High Court claiming for the followings:
 1. A declaration that the summary judgment dated 9.3.2020, the High Court order dated 1.10.2020 and the orders of Court of Appeal ("CO") both dated 27.1.2021 in the COA are not binding on MFBI;
 2. A declaration that M/s Hanif Abdul Rahman & Assoc acted fraudulently for both KL High Court and COA matters;
 3. A declaration that the signatures on the affidavits filed by MFBI for both KL High Court and COA matters mentioned above are forgeries and/or false;
 4. A declaration that Company is not entitled to act upon the judgment of KL High Court and COA; and
 5. An order that all the judgments made by the KH High Court and COA to be set aside;
 6. Damages for fraud in the tort of deceit against M/s Hanif Abdul Rahman & Assoc; and
 7. Interest for the damages at the rate of 5% per annum until full settlement;
 8. Cost and such other reliefs.

Company filed an application to strike out MFBI's claim (Encl. 16), the Court has fixed the hearing date on 03.06.2022.

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 was declared (payable by 31 March 2022) in respect of the financial year ended 31 December 2021:

- (a) Third interim dividend was declared on 25 February 2022 by way of dividend-in-specie to the shareholders of 0.5 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 0.29 sen per share. The share dividend of 6,420,500 was distributed to shareholders from Company treasury shares on 20 April 2022.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2022**
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 31.03.2022 RM'000	Preceding Year Quarter 31.03.2021 RM'000	Current Year-To-Date 31.03.2022 RM'000	Preceding Year-To-Date 31.03.2021 RM'000
<u>Basic earnings per share</u>				
Net profit attributable to ordinary shares	7,380	7,298	7,380	7,298
Weighted Average Number of Ordinary Shares in issue ('000)	1,286,639	1,063,330	1,286,639	1,063,330
Basic (loss)/earnings per share (sen)	0.57	0.69	0.57	0.69
<u>Diluted earnings per share</u>				
Weighted Average Number of Ordinary Shares in issue ('000)	1,286,639	1,063,330	1,286,639	1,063,330
Adjustment for LTIP ('000)	(2,468)	1,880	(2,468)	1,880
Weighted Average Number of Ordinary Shares for diluted earnings per shares ('000)	1,284,171	1,065,210	1,284,171	1,065,210
Diluted earnings per share (sen)	0.57	0.69	0.57	0.69

By Order of the Board
Lau Bey Ling
Leong Shiak Wan
Company Secretaries
Kuala Lumpur
Date: 31 May 2022