

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2022



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	NOTE	Individual Quarter		Cummulative Period	
		Current year quarter 30/6/2022 RM'000	Preceding year quarter 30/6/2021 RM'000	Current year to date 30/6/2022 RM'000	Preceding year to date 30/6/2021 RM'000
Revenue		458,380	365,612	851,795	729,375
Cost of sales		(349,698)	(281,410)	(647,117)	(561,768)
Gross profit		108,682	84,202	204,678	167,607
Other items of income					
Interest income		15,468	13,453	30,379	27,080
Other income		903	1,254	2,908	5,867
Other items of expense					
Admin/Operating expenses		(80,720)	(54,148)	(157,707)	(114,218)
Finance costs		(19,118)	(22,444)	(38,474)	(45,638)
Share of results of associates		2,386	2,706	5,385	6,885
Profit/(loss) before tax and zakat		27,601	25,023	47,169	47,583
Income tax expense and zakat	B5	(14,720)	(11,932)	(21,900)	(21,423)
Profit/(loss) net of tax		12,881	13,091	25,269	26,160
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		1,083	188	2,908	2,227
Total other comprehensive income		1,083	188	2,908	2,227
Total comprehensive income/(loss) for the period/year		13,964	13,279	28,177	28,387
Profit/(loss) net of tax attributable to:					
Owners of the parent		7,001	9,051	14,381	16,349
Non-controlling interests		5,880	4,040	10,888	9,811
		12,881	13,091	25,269	26,160
Total comprehensive income/(loss) attributable to:					
Owners of the parent		8,085	9,246	17,291	18,583
Non-controlling interests		5,879	4,033	10,886	9,804
		13,964	13,279	28,177	28,387
Earnings/loss per share (sen):					
Basic	B11	0.54	0.85	1.12	1.54
Diluted		0.54	0.85	1.11	1.53
EBITDA (includes amortisation of services concession assets)		127,749	136,349	247,945	267,993
EBIT		31,251	34,014	55,264	66,141

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.

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 30/6/2022 RM'000	Audited As at 31/12/2021 RM'000
Non-current assets		
Property, plant and equipment	242,591	244,390
Service concession assets	498,509	664,679
Intangibles	403,359	401,736
Rights of use of assets	21,273	23,367
Deferred tax assets	62,060	65,104
Investment in an associates	214,760	208,616
Operating financial assets	504,904	531,184
Trade and other receivables	101,469	100,519
Contract related assets	11,608	3,897
Other non-current assets	7,154	7,962
	<u>2,067,687</u>	<u>2,251,454</u>
Current assets		
Operating financial assets	62,849	67,925
Trade and other receivables	361,843	337,763
Contract related assets	106,546	85,981
Inventories	136,155	116,694
Tax recoverable	8,764	7,480
Other current assets	14,234	18,725
Other financial assets	15,676	55,336
Deposits, cash and bank balances	276,812	339,825
	<u>982,879</u>	<u>1,029,729</u>
Total assets	<u>3,050,566</u>	<u>3,281,183</u>
Current liabilities		
Retirement benefit obligations	14,913	14,922
Loans and borrowings	166,135	150,474
Trade and other payables	294,208	313,285
Contract related liabilities	5,361	5,070
Service concession obligations	374,955	360,025
Tax payable	9,538	10,320
	<u>865,110</u>	<u>854,096</u>
Net current assets	<u>117,769</u>	<u>175,633</u>

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

	Unaudited As at 30/6/2022 RM'000	Audited As at 31/12/2021 RM'000
Non-current liabilities		
Retirement benefit obligations	70,167	70,244
Loans and borrowings	790,023	893,862
Trade and other payables	6,530	5,121
Service concession obligations	161,386	318,576
Consumer deposits	251,755	251,063
Deferred tax liabilities	28,635	28,341
	<u>1,308,496</u>	<u>1,567,207</u>
Total liabilities	<u>2,173,606</u>	<u>2,421,303</u>
Net assets	<u>876,960</u>	<u>859,880</u>
Equity attributable to owners of the parent		
Share capital	1,438,993	1,438,993
Treasury shares	(3,407)	(7,963)
Employee share reserve	926	671
Other reserves	(879,622)	(882,532)
Retained earnings	142,256	131,625
	<u>699,146</u>	<u>680,794</u>
Non-controlling interests	177,814	179,086
Total equity	<u>876,960</u>	<u>859,880</u>
Total equity and liabilities	<u>3,050,566</u>	<u>3,281,183</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.54</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							14,381	14,381	10,888	25,269
Other comprehensive income	-	-	-	2,910	-	-	-	2,910	(2)	2,908
Total comprehensive income	-	-	-	2,910	-	-	14,381	17,291	10,886	28,177
Transaction with owners										
-Purchase of treasury shares	-	(3,502)	-	-	-	-	-	(3,502)	-	(3,502)
-Redemption on CULS								-		-
- Long-term incentive plan ("LTIP")										
- share-based payment expenses	-	-	255	-	-	-	-	255	-	255
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(500)	(500)
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	-	(50)	(50)
-Dividends paid via:										
- distribution of treasury shares	-	8,058	-	-	-	-	(3,750)	4,308	-	4,308
- cash	-	-	-	-	-	-	-	-	(11,608)	(11,608)
Total transaction with owners	-	4,556	255	-	-	-	(3,750)	1,061	(12,158)	(11,097)
At 30 June 2022	1,438,993	(3,407)	926	26,032	361	(906,015)	142,256	699,146	177,814	876,960

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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 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	-	-	-	-	-	-	16,349	16,349	9,811	26,160
Others 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										
- Long-term incentive plan ("LTIP")										
- share-based payment expenses	-	-	255	-	-	-	-	255	-	255
-Purchase of treasury shares	-	(4,565)	-	-	-	-	-	(4,565)	-	(4,565)
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(725)	(725)
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	-	(98)	(98)
-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	18,003	1,063	(906,015)	126,359	521,159	137,045	658,204

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⁾

	6 months ended 30/6/2022 RM'000	6 months ended 30/6/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	47,169	47,583
Adjustments for:		
Depreciation of property, plant and equipment	20,757	19,597
Depreciation of right-use-of asset	2,814	1,019
Net (gain)/loss on disposal of property, plant and equipment	(131)	(8)
Net (gain)/loss on disposal of right-of-use asset	-	(4)
Property, plant and equipment written off	-	82
Amortisation of service concession asset	166,170	179,342
Amortisation of software	2,337	1,894
Amortisation of customer contract	603	-
Share of results of associates	(5,385)	(6,885)
Share based payment expenses	255	255
Bad debts recovered	(12)	(18)
Provision for retirement benefit plan	2,819	3,159
Inventories written off	-	42
Net unrealised foreign exchange loss/(gain)	2,789	(2,858)
Reversal allowance for expected credit losses	(9)	-
Allowance for expected credit losses on:		
-Trade receivables	-	387
-Associates	(258)	-
Provision/(reversal) for liquidated ascertained damages	346	(167)
Interest income	(30,379)	(27,080)
Finance costs	38,474	45,638
Operating profit before working capital changes	<u>248,359</u>	<u>261,978</u>
Receivables	(22,889)	76,405
Payables	(13,178)	(102,681)
Inventories	(19,461)	(10,887)
Operating financial asset	59,190	61,593
Contract related assets	(28,276)	(32,298)
Contract related liability	291	(326)
Other non-current and current asset	5,299	(4,504)
Cash generated from operations	<u>229,335</u>	<u>249,280</u>
Retirement benefits plan paid	(2,897)	(4,509)
Tax paid	(20,628)	(14,396)
Repayment of lease rental payable to PAAB	(149,720)	(179,194)
Net cash generated from operating activities	<u>56,090</u>	<u>51,181</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,454)	(13,361)
Proceeds from disposal of property, plant and equipment	632	14
Proceeds from disposal of right-of-use asset	-	81
(Acquisition)/Disposal of short term investments	39,660	35,302
Purchase of software	(4,565)	(3,284)
Interest received	1,944	1,372
Net cash used in investing activities	<u>18,217</u>	<u>20,124</u>

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

	6 months ended 30/6/2022 RM'000	6 months ended 30/6/2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Placement)/withdrawal of fixed deposits with banking facilities	(792)	29,422
Drawdown of loans and borrowings	4,000	4,000
Repayment of lease liabilities	(1,806)	(1,095)
Repayment of principal portion of loans and borrowings	(91,905)	(92,214)
Purchase of treasury shares	(3,502)	(4,565)
Dividends paid	(11,733)	(8,000)
Repayment of interest portion of loans and borrowings	(32,621)	(33,881)
Net cash used in financing activities	<u>(138,359)</u>	<u>(106,333)</u>
Net decrease in cash and cash equivalents	(64,052)	(35,028)
Effect of exchange rate changes on cash and cash equivalents	(1,868)	(1,932)
Cash and cash equivalents at beginning of year	201,890	118,853
Cash and cash equivalents at end of the period	<u>135,970</u>	<u>81,893</u>

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

Cash at banks and on hand	175,707	61,815
Short term deposits with licensed banks	101,105	132,308
Total deposits, cash and bank balances	<u>276,812</u>	<u>194,123</u>
Bank overdraft	(6,778)	(2,260)
Restricted deposits, cash and bank balances	(119,637)	(103,089)
Deposit pledge as securities to licensed bank	(8,365)	(5,905)
Deposit with maturities of three months or more	(6,062)	(976)
Cash and cash equivalents	<u>135,970</u>	<u>81,893</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 ("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 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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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.

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 2022, the Company held 6,869,165 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), 20 January 2022 (6,411,318 treasury shares) and 20 April 2022 (6,420,500 treasury shares)). The treasury shares are held at a carrying amount of RM 3,406,686.

A8. Dividend Paid

During the period ended 30 June 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.
- (b) 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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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 30 June 2022:

BY BUSINESS SEGMENTS	Environment RM'000	Services RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue					
Sales to external Customers	579,141	184,909	139,278	49,695	953,023
Inter-segment elimination	-	(51,533)	-	(49,695)	(101,228)
	579,141	133,376	139,278	-	851,795
Results					
Segment profit/(loss)	43,766	19,767	(495)	(37,769)	25,269
Segment assets	1,767,320	390,458	802,460	90,328	3,050,566
Segment liabilities	1,060,724	117,057	436,884	558,941	2,173,606
Proforma scenario					
Results					
Segment profit/(loss)	43,766	19,767	(495)	(37,769)	25,269
Add/(less): Sukuk interest	(15,205)	-	(1,401)	16,606	-
Adjusted segment profit/(loss)	28,561	19,767	(1,896)	(21,163)	25,269
Segment assets	1,767,320	390,458	802,460	90,328	3,050,566
Add/(less): Bank balances related to Sukuk	60,026	-	5,530	(65,556)	-
Adjusted segment Assets	1,827,346	390,458	807,990	24,772	3,050,566
Segment liabilities	1,060,724	117,057	436,884	558,941	2,173,606
Add/(less): Sukuk loan	467,778	-	43,098	(510,876)	-
Adjusted segment liabilities	1,528,502	117,057	479,982	48,065	2,173,606



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A9. Segmental Information (continued)

For the financial period ended 30 June 2021:

BY BUSINESS SEGMENTS (Restated)	Environment RM'000	Services RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue					
Sales to external customers	590,697	95,639	104,935	35,865	827,136
Inter-segment elimination	-	(61,896)	-	(35,865)	(97,761)
	590,697	33,743	104,935	-	729,375
Results					
Segment profit/(loss)	48,951	7,732	(225)	(30,298)	26,160
Segment assets	2,055,343	126,290	765,262	96,736	3,043,631
Segment liabilities	1,348,569	64,190	461,945	561,045	2,435,749
Proforma scenario					
Results					
Segment profit/(loss)	48,951	7,732	(225)	(30,298)	26,160
Add/(less): Sukuk interest	(16,519)	-	(1,522)	18,041	-
Adjusted segment profit/(loss)	32,432	7,732	(1,747)	(12,257)	26,160
Segment assets	2,055,343	126,290	765,262	96,736	3,043,631
Add/(less): Bank balances related to Sukuk	44,980	-	4,144	(49,124)	-
Adjusted segment assets	2,100,323	126,290	769,406	47,612	3,043,631
Segment liabilities	1,348,569	64,190	461,945	561,045	2,435,749
Add/(less): Sukuk loan	510,162	-	47,003	(557,165)	-
Adjusted segment liabilities	1,858,731	64,190	508,948	3,880	2,435,749

Environment segment

- Year to date revenue generated is RM579.1 million (2021: RM590.7 million), a decrease of RM11.6 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 RM43.8 million (2021: RM49.0 million) a decrease of RM5.2 million compared to its preceding year, mainly due to lower contribution by Ranhill SAJ.


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A9. Segmental Information (continued)
Services segment

- Revenue of RM133.4 million (2021: RM33.7 million), an increase of RM99.7 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 RM139.3 million (2021: RM104.9 million), an increase of RM34.4 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:

	30.06.2022 RM'000	31.12.2021 RM'000
Approved and contracted for	3,683	10,147
Approved but not contracted for	9,470	17,207
	13,153	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 purchase of its issued ordinary shares of 410,000 from the open market. Therefore, the total of treasury shares as at 9 August 2022 is 7,279,165.

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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 30.06.2022 RM'000	Preceding year quarter 30.06.2021 RM'000		Current year to date 30.06.2022 RM'000	Preceding year to date 30.06.2021 RM'000	
Revenue	458,380	365,612	25.4%	851,795	729,375	16.8%
Operating profit	28,865	31,308	-7.8%	49,879	59,256	-15.8%
Profit Before Interest, Tax and Zakat	31,251	34,014	-8.1%	55,264	66,141	-16.4%
Profit Before Tax and Zakat	27,601	25,023	10.3%	47,169	47,583	-0.9%
Profit After Tax	12,881	13,091	-1.6%	25,269	26,160	-3.4%
Profit Attributable to Ordinary Equity Holder of the Parent	7,001	9,051	-22.6%	14,381	16,349	-12.0%

For the quarter and year ended 30 June 2022, the Group recorded a revenue of RM458.4 million and RM851.8 million respectively (Q22021 : RM365.6 million, YTD2021 : RM729.4 million) while profit/(loss) attributable to ordinary equity holder of the parent are RM7.0 million and RM14.4 million respectively (Q22021 : RM9.1 million, YTD2021: RM16.3 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 decrease by RM2.1 million (compared to preceding year's quarter) from RM9.1 million profit in Q2FY2021 mainly due to recognition of higher maintenance cost in Energy segment following RPI and RPII ST1C Planned Outage-DOSH Inspection & Steam Turbine Maintenance.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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B2. Comparison of Results for Current Quarter Ended 30 June 2022 Compared to the Immediate Preceding Quarter

	Individual Quarter		Changes %
	Current year quarter 30.06.2022 RM'000	Immediate preceding quarter 31.03.2022 RM'000	
Revenue	458,380	393,415	16.5%
Operating Profit	28,865	21,014	37.4%
Profit Before Interest, Tax and Zakat	31,251	24,013	30.1%
Profit Before Tax and Zakat	27,601	19,568	41.1%
Profit/(loss) After Tax	12,881	12,388	4.0%
Profit/(loss) Attributable to Ordinary Equity Holder of the parent	7,001	7,380	-5.1%

The Group recorded a revenue of RM458.4 million in the current quarter compared to its immediate preceding quarter's revenue of RM393.4 million, an increase of RM65.0 million or 16.5%, mainly due higher revenue recognition from projects of Services segment of RM41.0 million and Upgrading 20MLD by Ranhill Water Technologies Sdn Bhd ("RWTM").

Besides that, there is an increase in Energy segment revenue of RM20.0 million 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) arise from Petronas gas curtailment during the period.

The profit attributable to ordinary equity holder of the parent for the current quarter slightly decreased by RM0.4 million from RM7.4 million recorded in quarter 1 FY2022 to RM7.0 million mainly due to higher maintenance cost in Energy segment following RPI and RPII ST1C Planned Outage-DOSH Inspection & Steam Turbine Maintenance.

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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.

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 ("EPC") 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 September 2022. RSI has also issued the Notice to Proceed to the EPC Contractor to commence the project.

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)

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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B5. Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30.06.2022 RM'000	Preceding year quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year to date 30.06.2021 RM'000
Malaysia taxation:				
Current taxation	10,413	11,975	19,014	20,634
(Over)/under provision prior years	(111)	220	(111)	220
Foreign taxation:				
Current taxation	47	61	77	80
Deferred taxation	(270)	79	(249)	159
Deferred taxation				
Current taxation	1,860	(422)	388	674
(Over)/under provision prior years	2,781	19	2,781	(344)
	14,720	11,932	21,900	21,423

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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B6. Profit/(Loss) Before Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30.06.2022 RM'000	Preceding year quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year to date 30.06.2021 RM'000
Amortisation of service concession assets	83,085	90,671	166,170	179,342
Amortisation of software	1,267	1,036	2,337	1,894
Amortisation of Customer contract	151	-	603	-
Depreciation of property, plant and equipment	10,569	10,102	20,757	1,019
Depreciation of right use of assets	1,426	526	2,814	-
Unrealised foreign exchange (gain)/loss	3,260	(1,242)	2,789	(155)
Realised foreign exchange gain	193	(77)	275	(167)
Reversal of allowance for expected credit losses on:				
- Trade receivables	-	-	(9)	-
Allowance for expected credit losses on:				
- Trade receivables	-	-	-	387
- Associates	(149)	-	(258)	-
Property, plant and equipment written off	-	33	-	387

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 2022					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank overdraft	-	4,349	-	-	-	4,349
- Revolving credit	-	13,000	-	-	-	13,000
- Term loan	3,637	40,000	6,204	-	9,841	40,000
- Musharakah Medium Term Notes ("mMTN")	-	50,475	-	301,402	-	351,877
- SUKUK	-	46,706	-	464,169	-	510,875
Sub total	3,637	154,530	6,204	765,571	9,841	920,101
Unsecured						
- Bank overdraft	-	2,429	-	-	-	2,429
- Convertible unsecured loan stocks ("CULS")	-	-	-	6,713	-	6,713
Sub total	-	2,429	-	6,713	-	9,142
Total borrowing	3,637	156,959	6,204	772,284	9,841	929,243
Lease liability	147	5,392	144	11,391	291	16,783
Grand Total	3,784	162,351	6,348	783,675	10,132	946,026
						956,158

	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 13.12.2022 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 13.12.2022.
- 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;
 - 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 20.09.2022. The High Court also fixed a case management for the main suit on 06.02.2024 and trial dates on 6th-8th May 2024.

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.


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Ranhill
B10. Dividend Payable

There was no dividend payable for the period ended 30 June 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 30.06.2022 RM'000	Preceding Year Quarter 30.06.2021 RM'000	Current Year-To-Date 30.06.2022 RM'000	Preceding Year-To-Date 30.06.2021 RM'000
<u>Basic earnings per share</u>				
Net profit attributable to ordinary shares	7,001	9,051	14,381	16,349
Weighted Average Number of Ordinary Shares in issue ('000)	1,291,352	1,065,904	1,289,008	1,064,625
Basic (loss)/earnings per share (sen)	0.54	0.85	1.12	1.54
<u>Diluted earnings per share</u>				
Weighted Average Number of Ordinary Shares in issue ('000)	1,291,352	1,065,904	1,289,008	1,064,625
Adjustment for LTIP ('000)	3,853	2,186	3,853	2,186
Weighted Average Number of Ordinary Shares for diluted earnings per shares ('000)	1,295,205	1,068,090	1,292,861	1,066,811
Diluted earnings per share (sen)	0.54	0.85	1.11	1.53

By Order of the Board
Lau Bey Ling
Leong Shiak Wan
Company Secretaries
Kuala Lumpur
Date: 26 August 2022