

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2023



UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	Individual Quarter		Cummulative Period	
	Current year quarter 31/03/2023 RM'000	Preceding year quarter 31/03/2022 RM'000	Current year to date 31/03/2023 RM'000	Preceding year to date 31/03/2022 RM'000
Revenue	520,076	393,415	520,076	393,415
Cost of sales	(406,617)	(297,419)	(406,617)	(297,419)
Gross profit	113,459	95,996	113,459	95,996
Other items of income				
Interest income	14,351	14,911	14,351	14,911
Other income	4,056	2,005	4,056	2,005
Other items of expense				
Admin/Operating expenses	(85,874)	(76,987)	(85,874)	(76,987)
Finance costs	(18,611)	(19,356)	(18,611)	(19,356)
Share of results of associates	3,762	2,999	3,762	2,999
Profit/(loss) before tax and zakat	31,143	19,568	31,143	19,568
Income tax expense and zakat	(10,196)	(7,180)	(10,196)	(7,180)
Profit/(loss) net of tax	20,947	12,388	20,947	12,388
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation	2,302	1,825	2,302	1,825
Total other comprehensive income	2,302	1,825	2,302	1,825
Total comprehensive income/(loss) for the period/year	23,249	14,213	23,249	14,213
Profit/(loss) net of tax attributable to:				
Owners of the parent	11,120	7,380	11,120	7,380
Non-controlling interests	9,827	5,008	9,827	5,008
	20,947	12,388	20,947	12,388
Total comprehensive income/(loss) attributable to:				
Owners of the parent	13,421	9,206	13,421	9,206
Non-controlling interests	9,828	5,007	9,828	5,007
	23,249	14,213	23,249	14,213
Earnings/loss per share (sen):				
Basic	0.86	0.57	0.86	0.57
Diluted	0.86	0.57	0.86	0.57
EBITDA (includes amortisation of services concession assets)	134,370	120,196	134,370	120,196
EBIT	35,403	24,013	35,403	24,013

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 2022 and the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31/03/2023 RM'000	Audited As at 31/12/2022 RM'000
Non-current assets		
Property, plant and equipment	251,371	249,455
Service concession assets	249,179	331,899
Intangibles	396,407	397,611
Rights of use of assets	27,057	25,175
Deferred tax assets	40,595	47,265
Investment property	2,589	2,589
Investment in associates	220,167	214,419
Operating financial assets	469,994	481,881
Trade and other receivables	172,818	172,578
Contract related assets	49,601	30,048
Other non-current assets	5,567	5,971
	<u>1,885,345</u>	<u>1,958,891</u>
Current assets		
Operating financial assets	57,665	58,256
Trade and other receivables	492,170	495,117
Contract related assets	134,480	118,842
Inventories	146,833	146,193
Tax recoverable	14,686	13,800
Other current assets	27,484	15,797
Other financial assets	79,511	65,840
Deposits, cash and bank balances	318,511	388,988
	<u>1,271,340</u>	<u>1,302,833</u>
Total assets	<u>3,156,685</u>	<u>3,261,724</u>
Current liabilities		
Retirement benefit obligations	16,329	17,589
Loans and borrowings	181,695	166,528
Trade and other payables	396,291	439,501
Contract related liabilities	8,652	6,488
Service concession obligations	323,584	372,781
Tax payable	14,581	9,809
	<u>941,132</u>	<u>1,012,696</u>
Net current assets	<u>330,208</u>	<u>290,137</u>



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

	Unaudited As at 31/03/2023 RM'000	Audited As at 31/12/2022 RM'000
Non-current liabilities		
Retirement benefit obligations	63,769	65,570
Loans and borrowings	879,975	932,715
Trade and other payables	3,366	2,927
Consumer deposits	259,782	258,754
Deferred tax liabilities	33,387	33,974
	<u>1,240,279</u>	<u>1,293,940</u>
Total liabilities	<u>2,181,411</u>	<u>2,306,636</u>
Net assets	<u>975,274</u>	<u>955,088</u>
Equity attributable to owners of the parent		
Share capital	1,438,993	1,438,993
Treasury shares	(3,569)	(3,569)
Employee share reserve	1,312	1,185
Other reserves	(885,216)	(887,517)
Retained earnings	225,837	214,717
	<u>777,357</u>	<u>763,809</u>
Non-controlling interests	197,917	191,279
Total equity	<u>975,274</u>	<u>955,088</u>
Total equity and liabilities	<u>3,156,685</u>	<u>3,261,724</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.60</u>	<u>0.59</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2023



UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Share capital RM'000	Treasury shares RM'000	Employee share reserves RM'000	Currency translation reserves RM'000	Equity component of unsecured 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 2023	1,438,993	(3,569)	1,185	18,137	361	(906,015)	214,717	763,809	191,279	955,088
Profit net of tax	-	-	-	-	-	-	11,120	11,120	9,827	20,947
Other comprehensive income	-	-	-	2,301	-	-	-	2,301	1	2,302
Total comprehensive income	-	-	-	2,301	-	-	11,120	13,421	9,828	23,249
Transaction with owners										
-Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
-Redemption on CULS	-	-	-	-	-	-	-	-	-	-
- Award of Long-term incentive plan ("LTIP") shares	-	-	127	-	-	-	-	127	-	127
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(250)	(250)
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-
-Dividends paid via:										
- distribution of treasury shares	-	-	-	-	-	-	-	-	-	-
- cash	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Total transaction with owners	-	-	127	-	-	-	-	127	(3,190)	(3,063)
At 31 March 2023	1,438,993	(3,569)	1,312	20,438	361	(906,015)	225,837	777,357	197,917	975,274

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED

31 MARCH 2023

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
Others 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										
- Award of LTIP shares	-	-	127	-	-	-	-	127	-	127
-Purchase of treasury shares	-	(2,396)	-	-	-	-	-	(2,396)	-	(2,396)
-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 March 2022	1,438,993	(6,052)	798	24,948	361	(906,015)	135,255	688,288	172,943	861,231

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2023



UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS ⁽¹⁾

	3 months ended 31/03/2023 RM'000	3 months ended 31/03/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	31,143	19,568
Adjustments for:		
Depreciation of property, plant and equipment	11,676	10,188
Depreciation of right-use-of asset	2,195	1,388
Net (gain)/loss on disposal of property, plant and equipment	(27)	(12)
Amortisation of service concession asset	83,764	83,085
Amortisation of software	1,181	1,070
Amortisation of customer contract	151	452
Share of results of associates	(3,762)	(2,999)
Share based payment expenses	127	127
Property, plant and equipment written off	1	-
Bad debts recovered	(6)	(7)
Provision for retirement benefit plan	1,424	1,409
Net unrealised foreign exchange loss/(gain)	(518)	(471)
Reversal allowance for expected credit losses	-	-
- Trade receivables	(27)	(9)
- Other receivables	-	(109)
Allowance for expected credit losses on:		
- Other receivables	297	-
Interest income	(14,351)	(14,911)
Finance costs	18,611	19,356
Operating profit before working capital changes	<u>131,879</u>	<u>118,125</u>
Receivables	5,252	22,322
Payables	(12,140)	(9,769)
Inventories	(640)	(7,383)
Operating financial asset	26,320	29,986
Contract related assets	(35,191)	(2,097)
Contract related liability	2,164	1,857
Other non-current and current asset	(11,283)	(1,597)
Cash generated from operations	<u>106,361</u>	<u>151,444</u>
Retirement benefits plan paid	(4,508)	(1,058)
Tax paid	(266)	(9,427)
Repayment of lease rental payable to PAAB	(81,728)	(73,714)
Net cash generated from operating activities	<u>19,859</u>	<u>67,245</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,614)	(9,783)
Proceeds from disposal of property, plant and equipment	54	180
Addition of short term investments	(13,671)	(145)
Purchase of software	(128)	(5,091)
Interest received	(664)	574
Net cash used in investing activities	<u>(28,023)</u>	<u>(14,265)</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2023



UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (continued) ⁽¹⁾	3 months ended 31/03/2023 RM'000	3 months ended 31/03/2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Placement)/withdrawal of fixed deposits with banking facilities	15,732	(24,073)
Drawdown of loans and borrowings	17,907	2,000
Repayment of lease liabilities	(2,037)	(910)
Repayment of principal portion of loans and borrowings	(50,851)	(50,985)
Purchase of treasury shares	-	(2,396)
Dividends paid	(9,383)	(11,025)
Repayment of interest portion of loans and borrowings	(15,659)	(22,793)
Net cash used in financing activities	<u>(44,291)</u>	<u>(110,182)</u>
Net decrease in cash and cash equivalents	(52,455)	(57,202)
Effect of exchange rate changes on cash and cash equivalents	(599)	(734)
Cash and cash equivalents at beginning of year	245,435	201,890
Cash and cash equivalents at end of the period	<u>192,381</u>	<u>143,954</u>
Cash and cash equivalents at end of financial period comprise the following:		
Cash at banks and on hand	74,712	127,831
Short term deposits with licensed banks	243,799	178,964
Total deposits, cash and bank balances	<u>318,511</u>	<u>306,795</u>
Bank overdraft	(3,019)	(5,496)
Restricted deposits, cash and bank balances	(108,199)	(142,284)
Deposit pledge as securities to licensed bank	(8,912)	(9,061)
Deposit with maturities of three months or more	<u>(6,000)</u>	<u>(6,000)</u>
Cash and cash equivalents	<u>192,381</u>	<u>143,954</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 2022 and the accompanying explanatory notes attached to these interim financial statements.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Ranhill

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 2022 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 2022.

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 2022.

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

On 1 January 2023, 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 2023.

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

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Ranhill

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 16: Lease Liabilities in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
MFRS 101: Non-current Liabilities with Covenants ((Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
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 2022.

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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 at 31 March 2023, the Company held 7,279,165 treasury shares with a carrying amount of RM 3,569,186.

A8. Dividend Paid

During the financial year ended 31 March 2023, the following dividend was distributed:

In respect of the financial year ended 31 December 2022:

- (a) First interim dividend of 0.5 sen per share on 1,288,638,058 ordinary shares, amounting to a dividend payable of RM 6,443,190 has been declared on 16 December 2022, and paid on 18 January 2023.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Ranhill

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 period ended 31 March 2023:

BY BUSINESS SEGMENTS	Environment RM'000	Engineering Services RM'000	Energy RM'000	Others RM'000	Total RM'000
Revenue					
Sales to external Customers	312,191	174,243	89,358	12,480	588,272
Inter-segment elimination	-	(55,716)	-	(12,480)	(68,196)
	312,191	118,527	89,358	-	520,076
Results					
Segment profit/(loss)	25,361	12,197	6,515	(23,126)	20,947
Segment assets	1,645,077	472,788	967,629	71,191	3,156,685
Segment liabilities	894,230	181,419	445,247	660,515	2,181,411
Proforma scenario					
Results					
Segment profit/(loss)	25,361	12,197	6,515	(23,126)	20,947
Add/(less):					
Sukuk interest	(6,962)	-	(641)	7,603	-
Adjusted segment profit/(loss)	18,399	12,197	5,874	(15,523)	20,947
Segment assets	1,645,077	472,788	967,629	71,191	3,156,685
Add/(less):					
Bank balances related to Sukuk	30,032	-	2,767	(32,799)	-
Adjusted segment Assets	1,675,109	472,788	970,396	38,392	3,156,685
Segment liabilities	894,230	181,419	445,247	660,515	2,181,411
Add/(less):					
Sukuk loan	418,138	-	38,524	(456,662)	-
Adjusted segment liabilities	1,312,368	181,419	483,771	203,853	2,181,411



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Ranhill

A9. Segmental Information (continued)

For the period ended 31 March 2022:

BY BUSINESS SEGMENTS (Restated)	Environment RM'000	Engineering 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)	15,098	7,607	3,280	(13,597)	12,388
Segment assets	1,827,408	391,278	840,603	88,588	3,147,877
Segment liabilities	1,144,335	109,765	476,089	556,457	2,286,646
Proforma scenario					
Results					
Segment profit/(loss)	15,098	7,607	3,280	(13,597)	12,388
Add/(less):					
Sukuk interest	(7,640)	-	(704)	8,344	-
Adjusted segment profit/(loss)	7,458	7,607	2,576	(5,253)	12,388
Segment assets	1,827,408	391,278	840,603	88,588	3,147,877
Add/(less):					
Bank balances related to Sukuk	66,715	-	6,147	(72,862)	-
Adjusted segment assets	1,894,123	391,278	846,750	15,726	3,147,877
Segment liabilities	1,144,335	109,765	476,089	556,457	2,286,646
Add/(less):					
Sukuk loan	460,213	-	42,400	(502,613)	-
Adjusted segment liabilities	1,604,548	109,765	518,489	53,844	2,286,646

Environment segment

- Year to date revenue generated of RM312.2 million (2022: RM287.4 million), an increase of RM24.8 million compared to its preceding year, was mainly due to higher recognition water revenue contributed by Ranhill SAJ Sdn Bhd ("RanhillSAJ") arising from tariff hike.
- Year to date profit after taxation of RM25.4 million (2022: RM15.1 million), an increase of RM10.3 million compared to its preceding year, was mainly due to the higher profit by RanhillSAJ.



A9. Segmental Information (continued)

Engineering Services segment

- Year to date revenue of RM118.5 million (2022: RM46.3 million), an increase of RM72.2 million was mainly due to higher contribution from Ranhill Worley Sdn Bhd (“RWSB”) arising from higher activity and chargeable hours of its newly secured projects.
- Year to date profit after tax of RM12.2 million (2022:RM7.6 million), an increase of RM4.6 million mainly contributed by RWSB.

Energy segment

- Year to date revenue of RM89.4 million (2022: RM59.7 million), an increase of RM29.7 million compared to its preceding year was mainly due to higher demand of electricity.
- Year to date profit after tax of RM6.5 million (2022:RM3.3 million), an increase of RM3.2 million mainly due to higher demand of electricity.

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:

	31.03.2023 RM'000	31.12.2022 RM'000
Approved and contracted for	5,096	5,170
Approved but not contracted for	5,427	8,225
	10,523	13,395

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Ranhill

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 31.03.2023 RM'000	Preceding year quarter 31.03.2022 RM'000		Current year to date 31.03.2023 RM'000	Preceding year to date 31.03.2022 RM'000	
Revenue	520,076	393,415	32.2%	520,076	393,415	32.2%
Operating profit	31,641	21,014	50.6%	31,641	21,014	50.6%
Profit Before Interest, Tax and Zakat	35,403	24,013	47.4%	35,403	24,013	47.4%
Profit Before Tax and Zakat	31,143	19,568	59.2%	31,143	19,568	59.2%
Profit After Tax	20,947	12,388	69.1%	20,947	12,388	69.1%
Profit Attributable to Ordinary Equity Holder of the Parent	11,120	7,380	50.7%	11,120	7,380	50.7%

For the quarter and year ended 31 March 2023, the Group recorded a revenue of RM520.1 million (Q12022/YTD2022: RM393.4 million) while profit/(loss) attributable to ordinary equity holder of the parent is RM11.1 million (Q12022/YTD2022: RM7.4 million).

The increase in revenue for the quarter (against prior year corresponding quarter) was mainly contributed by RWSB, higher recognition water revenue by RanhillSAJ arising from tariff hike and higher demand of electricity.

Profit attributable to ordinary equity holder of the parent for the quarter increased by RM3.7 million (compared to preceding year's quarter) from RM7.4 million mainly contributed by:

- net increased by Environment segment of RM8.4 million mainly from RanhillSAJ from impact of tariff hike on non-domestic sector;
- net increased by Engineering and Services segment of RM2.7 million (which mainly contributed by RWSB due to higher activity and chargeable hours of its newly secured projects;and
- net increased by Energy segment of RM2.7 million mainly contributed by RPII due to higher demand of electricity.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Ranhill

B2. Comparison of Results for Current Quarter Ended 31 March 2023 Compared to the Immediate Preceding Quarter

	Individual Quarter		Changes %
	Current year quarter 31.03.2023 RM'000	Immediate preceding quarter 31.12.2022 RM'000	
Revenue	520,076	440,557	18.0%
Operating Profit	31,641	121,619	-74.0%
Profit Before Interest, Tax and Zakat	35,403	128,490	-72.4%
Profit Before Tax and Zakat	31,143	126,564	-75.4%
Profit/(loss) After Tax	20,947	98,640	-78.8%
Profit/(loss) Attributable to Ordinary Equity Holder of the parent	11,120	71,547	-84.5%

The Group recorded a revenue of RM520.1 million in the current quarter compared to its immediate preceding quarter's revenue of RM440.6 million, an increase of RM79.5 million or 18.0%, mainly contributed by:

- higher revenue recognition from RanhillSAJ of RM19.4 million due to higher recognition of water revenue from commercial sector;
- higher revenue recognition from Engineering and services segment of RM32.8 million mainly from RWSB (RM28.9million) arising from its newly secured projects;
- higher revenue recognition from Energy segment of RM27.2 million mainly due to higher demand of electricity.

The profit attributable to ordinary equity holder of the parent for the current quarter decreased by RM60.4 million from RM71.5 million recorded in quarter 4 FY2022 to RM11.1 million mainly contributed by:

- lower profit from Environment segment of RM83.8 million, mainly due to the recognition of non-revenue water reduction incentive received in RanhillSAJ in immediate preceding quarter.
- Offset by higher profit from Energy segment of RM12.1 million mainly due higher demands of electricity and lower maintenance cost and no major inspection in Q12023.
- higher profit in Engineering and services segment of RM7.6 million mainly contributed by:
 - RWTM group RM3.4 million;
 - RWS RM2.6 million;
 - RWSB RM2.4 million;
- Lower overhead of RM3.0 million at HQ.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2023

Ranhill

B3. Prospects

Environment

The Group is actively exploring initiatives to expand our water supply operations to other states in Malaysia through the “Asset-Light” model as stated in the Water Supply Industry Act 2006. Based on our achievement in successfully operating the water supply services in Johor for over 23 years, we are confident to be considered as a partner in the event any State Government looks for private sector to collaborate in operating the state’s water supply operations.

In the international front, RWHK Ltd operates 12 industrial wastewater treatment plants in China totalling 227MLD (via joint venture with SIIC (a Shanghai Municipal Government State-Owned Entity)). The Group also wholly 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.

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 strategic business partners have formed a Consortium as Project Promoters to undertake the development of ‘Source-to-Tap’ project that aims to extract 5,000 litre per second (approximately 432MLD) to supply treated water to three (3) regions namely DKI Jakarta Selatan, Bekasi City and Bekasi Regency. 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 after in-depth discussions and negotiations is awaiting the acceptance of the FS and the award of ‘Initiator Status’ to the Consortium, before PUPR calls a tender exercise for the implementation of the project.

Energy

Our energy division had proposed an extension to the PPA for our Teluk Salut Power Plant beyond its existing concession term that expires in 2029. This is a possible solution to address the growth in energy demand in Sabah beyond 2029.

The consortium of Ranhill-SEC has received the Letter of Notification as the successful bidder for the 100 MW CCGT in Kimanis, Sabah on 31 March 2023. The project is expected to achieve its Commercial Operation Date on 1 Mac 2026.

We are also in discussion with Energy Commission and the Ministry of Natural Resources, Environment and Climate Change (“NRECC”) to develop solar farms with the electricity generated be used solely by Ranhill SAJ’s Johor water operations. The project, to be developed under the Self-Consumption (“Self-Co”) concept will allow for a stable electricity cost to Ranhill SAJ and thus a stable tariff in the long run.



B3. Prospects (continued)

Recently, on 7 November 2022, Energy Commission issued an Information Guide for the development of Corporate Green Power Programme (“CGPP”) for the development of solar farm with capacity between 5M – 30MW. The solar farm developer will sign a Corporate Power Purchase Agreement (“CGPA”) for 21 years with a Corporate Consumer for the sale of electricity. It is anticipated that up to 800MW quota will be made available for this programme. The application under CGPP can be submitted from 9 May 2023 to 31 December 2023 or until all capacity is allocated to the applicants, whichever comes first.

We look forward to the expected completion of the Sabah East-West Transmission line in 2023 where the transmission line will enable up to 400 MW of additional electricity to be despatched from Sabah’s West Coast to the East Coast. With 380MW of installed capacity in the West Coast of Sabah we view positively the prospect to export electricity to the East coast.

As the Group pursues development of renewable energy in contributing to the country's energy transition to a cleaner and greener Malaysia, we are optimistic of our successful tender of LSS4@Mentari being Ranhill's first venture into asset ownership of 50MWac large scale solar project. The project achieved financial close (“FC”) on 17 November 2022 and with current project implementation progress at 41.36% (as at 31 January 2023), are on target to achieve the Scheduled Commercial Operation Date of 31 December 2023, as set out in the PPA.

Engineering services

With Engineering Services being another business division of the Group, significant projects have been secured by Ranhill Worley Sdn Bhd in Front End Engineering Design (“FEED”) and Detailed Design Engineering (“DDE”) of oil and gas facilities and installations as well as Carbon Capture & Storage (“CCS”) projects in 2022.

Amongst others, these include:

- 1) the new floating production, storage, and offloading (“FPSO”) vessel, P-82 for Brazilian state-owned oil and gas producer, Petroleo Brasileiro S.A (“Petrobras”), one of the largest vessels to be deployed in the Buzios field, an ultra-deepwater oil and gas field covering an area of 853 km² in the pre-salt Santos Basin, about 180-km off the coast of Rio de Janeiro, Brazil;
- 2) DDE of Kasawari CCS Project (the world’s largest offshore CCS project, capturing over three (3) million tons per annum of carbon dioxide from the Kasawari gas field offshore Sarawak);
- 3) DDE of the offshore platform for the Rosmari-Marjoram gas project, off the coast of Sarawak; and
- 4) the provision of FEED for offshore facilities of the SK10B Lang Lebah development project offshore Sarawak being developed by Thailand's PTT Exploration and Production PCL.

It is anticipated that even with the most aggressive projections of renewable energy transition there will still be need for hydrocarbons to be part of the energy mix. Therefore, moving forward, Carbon Capture & Storage (“CCS”) will be a key part of global transition to net zero carbon emissions. Ranhill Worley is committed to working together with our customers to navigate their energy transition process to decarbonize the extraction of hydrocarbons.



B3. Prospects (continued)

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

Ranhill shall continue to make strides towards realising its target of attaining 3,000 MLD of water, wastewater and reclaimed water treatment capacity by 2025, 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]


QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023
Ranhill
B5. Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2023 RM'000	Preceding year quarter 31.03.2022 RM'000	Current year to date 31.03.2023 RM'000	Preceding year to date 31.03.2022 RM'000
Malaysia taxation:				
Current taxation (Over)/under provision prior years	8,401 (238)	8,601 -	8,401 (238)	8,601 -
Foreign taxation:				
Current taxation	39	30	39	30
Deferred taxation	(126)	21	(126)	21
Deferred taxation				
Current taxation (Over)/under provision prior years	2,435 (315)	(1,472) -	2,435 (315)	(1,472) -
	10,196	7,180	10,196	7,180
Zakat				
Zakat expense in current year	-	-	-	-
	10,196	7,180	10,196	7,180

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 RPII 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 RM42.1 million (2022:RM42.1 million).

RPII, through its tax consultant, has since appealed to the Ministry of Finance ("MoF") to allow RPII 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 RPII in prior years, it is reasonable for RPII to place reliance on such approval and continue with the utilisation of the investment allowance in full in accordance with its terms therein.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B6. Profit/(Loss) Before Taxation

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

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2023 RM'000	Preceding year quarter 31.03.2022 RM'000	Current year to date 31.03.2023 RM'000	Preceding year to date 31.03.2022 RM'000
Amortisation of service concession assets	83,764	83,085	83,764	83,085
Amortisation of software	1,181	1,070	1,181	1,070
Amortisation of Customer contract	151	452	151	452
Depreciation of property, plant and equipment	11,676	10,188	11,676	10,188
Depreciation of right use of assets	2,195	1,388	2,195	1,388
Unrealised foreign exchange (gain)/loss	(518)	(471)	(518)	(471)
Realised foreign exchange gain	(62)	82	(62)	82
Reversal of allowance for expected credit losses on:				
- Trade receivables	(27)	-	(27)	-
- Other receivables	-	(109)	-	(109)
Allowance for expected credit losses on:				
- Trade receivables	237	9	237	9
- Other receivables	297	-	297	-
Property, plant and equipment written off	1	-	1	-

B7. Status of Corporate Proposal Announced

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Ranhill

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 2023					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank overdraft	-	3,019	-	-	-	3,019
- Revolving credit	-	32,586	-	-	-	32,586
- Term loan	3,848	39,942	6,401	29,034	10,249	68,976
- Musharakah Medium Term Notes ("mMTN")	-	50,764	-	302,613	-	353,377
- SUKUK Murabahah RM650m	-	46,282	-	410,380	-	456,662
- SUKUK Murabahah RM310m *	-	-	-	108,922	-	108,922
Sub total	3,848	172,593	6,401	850,949	10,249	1,023,542
Unsecured						
- Convertible unsecured loan stocks ("CULS")	-	-	-	6,776	-	6,776
Sub total	-	-	-	6,776	-	6,776
Total borrowing	3,848	172,593	6,401	857,725	10,249	1,030,318
Lease liability	160	5,094	28	15,821	188	20,915
Grand Total	4,008	177,687	6,429	873,546	10,437	1,051,233
						1,061,670

	As at year ended 31 December 2022					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
Secured						
- Bank overdraft	-	2,382	-	-	-	2,382
- Revolving credit	-	15,000	-	-	-	15,000
- Term loan	3,586	39,942	6,961	29,337	10,547	69,279
- mMTN	-	50,764	-	302,613	-	353,377
- SUKUK Murabahah RM650m	-	46,932	-	466,510	-	513,442
- SUKUK Murabahah RM310m *	-	-	-	106,667	-	106,667
Sub total	3,586	155,020	6,961	905,127	10,547	1,060,147
Unsecured						
- Bank overdraft	-	2,328	-	-	-	2,328
- CULS	-	-	-	6,776	-	6,776
Sub total	-	2,328	-	6,776	-	9,104
Total borrowing	3,586	157,348	6,961	911,903	10,547	1,069,251
Lease liability	156	5,438	68	13,783	224	19,221
Grand Total	3,742	162,786	7,029	925,686	10,771	1,088,472
						1,099,243

Note: * The Sukuk Murabahah RM310m will be issued in 3 tranches. As at 31 December 2022, 1st tranche has been issued.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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 a case management on 1.11.2023 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 12.7.2023.
- 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 20.09.2022. Counsel advised that the appeal is fixed for hearing on 18.8.2023. 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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B10. Dividend Payable

The following dividend was declared after 31 March 2023 and paid before the date of this report in respect of the financial year ended 31 December 2022:

- (a) Second interim dividend of 2.0 sen per share on 1,288,638,058 ordinary shares, amounting to a dividend payable of RM 25,772,761 has been declared on 6 April 2023, paid on 15 May 2023.

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 31.03.2023 RM'000	Preceding Year Quarter 31.03.2022 RM'000	Current Year-To-Date 31.03.2023 RM'000	Preceding Year-To-Date 31.03.2022 RM'000
<u>Basic earnings per share</u>				
Net profit attributable to ordinary shares	11,120	7,380	11,120	7,380
Weighted Average Number of Ordinary Shares in issue ('000)	1,288,638	1,286,639	1,288,638	1,286,639
Basic (loss)/earnings per share (sen)	0.86	0.57	0.86	0.57
<u>Diluted earnings per share</u>				
Weighted Average Number of Ordinary Shares in issue ('000)	1,288,638	1,286,639	1,288,638	1,286,639
Adjustment for LTIP ('000)	3,145	(2,468)	3,145	(2,468)
Weighted Average Number of Ordinary Shares for diluted earnings per shares ('000)	1,291,783	1,284,171	1,291,783	1,284,171
Diluted earnings per share (sen)	0.86	0.57	0.86	0.57

On behalf of the Board
 Tan Sri Hamdan Mohamad
 Chairman and Chief Executive
 Kuala Lumpur
 Date: 29 May 2023