

YTL POWER INTERNATIONAL BERHAD
Company No. 199601034332 (406684-H)
Incorporated in Malaysia

Interim Financial Report
31 December 2022

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YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 31 December 2022.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2021 RM'000	6 MONTHS ENDED	
			31.12.2022 RM'000	31.12.2021 RM'000
Revenue	4,702,779	5,107,187	9,447,245	8,620,658
Cost of sales	(3,969,197)	(4,776,786)	(8,150,904)	(7,859,963)
Gross profit	733,582	330,401	1,296,341	760,695
Other operating income	10,253	38,223	21,846	54,320
Other operating expenses	(188,422)	(128,175)	(289,067)	(321,582)
Profit from operations	555,413	240,449	1,029,120	493,433
Finance costs	(378,760)	(228,879)	(710,661)	(468,967)
Share of profits of investments accounted for using the equity method	79,289	64,628	162,381	152,081
Profit before taxation	255,942	76,198	480,840	176,547
Taxation	(65,230)	(34,193)	(122,500)	(83,210)
Profit for the period	190,712	42,005	358,340	93,337
Attributable to:				
Owners of the parent	198,822	18,792	372,104	54,187
Non-controlling interests	(8,110)	23,213	(13,764)	39,150
	190,712	42,005	358,340	93,337
Earnings per share attributable to owners of the parent				
Basic (sen)	2.45	0.23	4.59	0.67
Diluted (sen)	2.44	0.23	4.57	0.67

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2021 RM'000	6 MONTHS ENDED	
			31.12.2022 RM'000	31.12.2021 RM'000
Profit for the period	190,712	42,005	358,340	93,337
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to income statement:</i>				
Financial assets at fair value through other comprehensive income	1,407	(1,348)	(916)	431
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- Subsidiaries	(61,233)	(271,403)	(589,976)	(284,357)
- Associates and joint ventures	(21,218)	39,588	55,265	39,588
Currency translation differences:				
- Subsidiaries	299,652	33,480	203,823	(149,524)
- Associates and joint ventures	(79,869)	(2,776)	9,493	(10,040)
	-----	-----	-----	-----
Other comprehensive income/(loss) for the period, net of tax	138,739	(202,459)	(322,311)	(403,902)
	-----	-----	-----	-----
Total comprehensive income/(loss) for the period	329,451	(160,454)	36,029	(310,565)
	=====	=====	=====	=====
Attributable to:				
Owners of the parent	366,963	(181,817)	47,920	(352,452)
Non-controlling interests	(37,512)	21,363	(11,891)	41,887
	-----	-----	-----	-----
	329,451	(160,454)	36,029	(310,565)
	=====	=====	=====	=====

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	31.12.2022	30.6.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,929,729	24,556,399
Investment properties	525,266	527,944
Intangible assets	9,025,324	8,732,299
Right-of-use assets	441,192	459,555
Post-employment benefit assets	255,789	174,802
Investments accounted for using the equity method	1,724,727	1,769,644
Investments	293,834	294,726
Derivative financial instruments	364	20,607
Receivables, deposits and prepayments	2,638,827	2,454,912
	-----	-----
	39,835,052	38,990,888
	-----	-----
Current assets		
Inventories	507,327	493,056
Investments	760,281	740,824
Receivables, deposits and prepayments	3,148,306	3,480,542
Derivative financial instruments	25,730	415,891
Cash and bank balances	6,901,282	6,880,016
	-----	-----
	11,342,926	12,010,329
	-----	-----
TOTAL ASSETS	51,177,978	51,001,217
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	7,126,226	7,276,035
	-----	-----
Equity attributable to owners of the parent	14,164,813	14,314,622
Non-controlling interests	(354,888)	(257,465)
	-----	-----
TOTAL EQUITY	13,809,925	14,057,157
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED	AUDITED
	As at	As at
	31.12.2022	30.6.2022
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	2,977,504	2,971,862
Borrowings	24,943,475	25,259,797
Lease liabilities	246,052	310,750
Post-employment benefit obligations	15,385	15,115
Grants and contributions	621,589	620,655
Derivative financial instruments	13,010	1,367
Payables	1,621,193	1,560,105
	-----	-----
	30,438,208	30,739,651
	-----	-----
Current liabilities		
Payables and accrued expenses	3,154,747	3,500,934
Derivative financial instruments	137,880	21,740
Post-employment benefit obligations	2,330	1,349
Taxation	169,623	107,504
Borrowings	3,320,432	2,477,041
Lease liabilities	144,833	95,841
	-----	-----
	6,929,845	6,204,409
	-----	-----
TOTAL LIABILITIES	37,368,053	36,944,060
	-----	-----
TOTAL EQUITY AND LIABILITIES	51,177,978	51,001,217
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.75	1.77
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	-----Attributable to Owners of the Parent-----				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
At 1 July 2022	7,038,587	(693,312)	(46,733)	8,016,080	14,314,622	(257,465)	14,057,157
Profit/(Loss) for the financial period	-	-	-	372,104	372,104	(13,764)	358,340
Other comprehensive (loss)/income for the financial period	-	(324,184)	-	-	(324,184)	1,873	(322,311)
Total comprehensive (loss)/income for the financial period	-	(324,184)	-	372,104	47,920	(11,891)	36,029
Dividends paid to non-controlling interests	-	-	-	-	-	(85,532)	(85,532)
Interim dividend paid for the financial year ended 30 June 2022	-	-	-	(202,554)	(202,554)	-	(202,554)
Share option expenses	-	4,826	-	-	4,826	-	4,826
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 31 December 2022	<u>7,038,587</u>	<u>(1,012,670)</u>	<u>(46,734)</u>	<u>8,185,630</u>	<u>14,164,813</u>	<u>(354,888)</u>	<u>13,809,925</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	-----Attributable to Owners of the Parent-----					Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 1 July 2021	7,038,587	(739,558)	(46,732)	6,765,345	13,017,642	(110,217)	12,907,425
Profit for the financial period	-	-	-	54,187	54,187	39,150	93,337
Other comprehensive (loss)/income for the financial period	-	(406,639)	-	-	(406,639)	2,737	(403,902)
Total comprehensive (loss)/income for the financial period	-	(406,639)	-	54,187	(352,452)	41,887	(310,565)
Dividends paid to non-controlling interests	-	-	-	-	-	(78,005)	(78,005)
Interim dividend paid for the financial year ended 30 June 2021	-	-	-	(202,554)	(202,554)	-	(202,554)
Reclassification upon disposal of investment at fair value through other comprehensive income	-	111	-	(111)	-	-	-
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 31 December 2021	<u>7,038,587</u>	<u>(1,146,086)</u>	<u>(46,733)</u>	<u>6,616,867</u>	<u>12,462,635</u>	<u>(146,335)</u>	<u>12,316,300</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	6 MONTHS ENDED	
	31.12.2022	31.12.2021
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	358,340	93,337
Adjustments for:		
Allowance for impairment of an associate	272	-
Allowance for impairment of inventories	239	693
Allowance for impairment of receivables (net of reversals)	43,059	41,830
Amortisation of contract costs	478	920
Amortisation of deferred income	(9,109)	-
Amortisation of grants and contributions	(2,748)	(6,523)
Amortisation of intangible assets	32,871	34,008
Bad debts recovered	(917)	(719)
Depreciation of property, plant and equipment	538,473	546,353
Depreciation of right-of-use assets	69,677	62,446
Fair value loss on investments	18,192	8,848
Interest expense	710,661	468,967
Interest income	(4,986)	(1,682)
Net gain on disposal of property, plant and equipment	(3,875)	(39,537)
Property, plant and equipment written off	2,843	7,837
Provision for post-employment benefit	24,055	26,767
Share of profits of investments accounted for using the equity method	(162,381)	(152,081)
Share option expenses	4,296	-
Taxation	122,500	83,210
Unrealised (gain)/loss on foreign exchange	(5,842)	4,128
Other non-cash items	(102)	(61)
	<u>1,735,996</u>	<u>1,178,741</u>
Changes in working capital:		
Inventories	(7,012)	(62,967)
Receivables, deposits and prepayments	211,401	(569,897)
Payables and accrued expenses	(234,160)	573,743
Cash flows from operations	<u>1,706,225</u>	<u>1,119,620</u>
Interest paid	(530,230)	(505,943)
Payment to post-employment benefit obligations	(111,795)	(110,337)
Tax paid	(59,271)	(34,639)
Net cash flows from operating activities	<u><u>1,004,929</u></u>	<u><u>468,701</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 - Continued

	6 MONTHS ENDED	
	31.12.2022	31.12.2021
	RM'000	RM'000
Cash flows from investing activities		
Additional investments	-	(82,892)
Additional investment accounted for using the equity method	(272)	(56,451)
Development expenditure incurred on investment properties	-	(11,724)
Dividends received	210,909	192,130
Grants received	12,058	12,710
Increase in shareholder loans	(97,254)	(224,263)
Interest received	4,529	1,984
Maturities of income funds	-	504,933
Proceeds from disposal of investments	-	320
Proceeds from disposal of property, plant and equipment	12,972	24,851
Purchase of intangible assets	(38,383)	(24,035)
Purchase of property, plant and equipment	(889,999)	(747,477)
Net cash flows used in investing activities	<u>(785,440)</u>	<u>(409,914)</u>
Cash flows from financing activities		
Dividend paid	(202,554)	(202,554)
Dividends paid to non-controlling interests	(85,532)	(78,005)
Proceeds from borrowings	2,025,721	604,530
Repayment of borrowings	(1,827,050)	(2,625,095)
Repayment of lease liabilities	(74,439)	(72,987)
Repurchase of own shares	(1)	(1)
Net cash flows used in financing activities	<u>(163,855)</u>	<u>(2,374,112)</u>
Net changes in cash and cash equivalents	55,634	(2,315,325)
Effects of exchange rate changes	(36,861)	(65,612)
Cash and cash equivalents at beginning of the financial year	<u>6,784,224</u>	<u>8,566,581</u>
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	<u><u>6,802,997</u></u>	<u><u>6,185,644</u></u>

[Note a]

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

	RM'000	RM'000
Fixed deposits	5,445,507	4,205,860
Cash and bank balances	1,455,775	1,981,856
Bank overdrafts	(98,285)	(2,072)
(included within short term borrowing in Note B9)		
	<u>6,802,997</u>	<u>6,185,644</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2022.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2022.

The amendments to MFRSs which were effective for financial year beginning on or after 1 July 2022 do not have significant financial impact to the Group.

A2. Seasonality or Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factor.

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INTERIM FINANCIAL REPORT

Notes – continued

A3. Disaggregation of Revenue

	Individual Quarter		Cumulative Quarter	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Power generation				
- Sale of electricity	3,299,310	3,763,646	6,673,417	5,736,062
- Sale of steam	54,290	56,684	118,158	110,507
- Others	33,227	43,391	58,836	134,766
	<u>3,386,827</u>	<u>3,863,721</u>	<u>6,850,411</u>	<u>5,981,335</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	1,039,431	1,026,116	2,088,976	2,068,539
Telecommunications business				
- Sale of devices	9,747	26,713	19,308	167,104
- Telecommunications services	97,276	107,077	173,586	219,609
- Telecommunications infrastructure business	31,654	26,752	58,682	47,446
	<u>138,677</u>	<u>160,542</u>	<u>251,576</u>	<u>434,159</u>
Investment holding activities				
- Investment income	64,544	17,215	102,235	38,069
- Management, operation and maintenance fees	17,047	15,352	33,700	31,478
- Others	56,253	24,241	120,347	67,078
	<u>137,844</u>	<u>56,808</u>	<u>256,282</u>	<u>136,625</u>
	<u>4,702,779</u>	<u>5,107,187</u>	<u>9,447,245</u>	<u>8,620,658</u>

A4. Unusual Items

For the current financial year to date, there was no item of unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A5. Changes in Estimates of Amounts Reported

There was no significant change to estimate of amount reported in prior interim periods or prior financial years.

INTERIM FINANCIAL REPORT

Notes – continued

A6. Changes in Debt and Equity Securities

During the current financial year to date, the Company repurchased 1,000 ordinary shares from the open market for a total consideration of RM772. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 31 December 2022, the number of treasury shares held was 56,054,431 ordinary shares.

On 5 September 2022, the Company issued Medium Term Note (“MTN”) of RM225.0 million at an interest rate of 5.05% pursuant to a MTN programme of up to RM5.0 billion. The proceeds of the issuance will be utilised for general corporate purposes.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

The following dividend payment was made during the financial period ended 31 December 2022: -

	<u>RM'000</u>
In respect of the financial year ended 30 June 2022:	
A second interim dividend of 2.5 sen per ordinary share paid on 29 November 2022	<u>202,554</u>

A8. Segment Information

The Group has four reportable segments as described below:

- a) Power generation #
- b) Water and sewerage
- c) Telecommunications business
- d) Investment holding activities

This segment includes Multi utilities business (Merchant) which encompasses a large portion of the value chain involved in the generation of electricity and sale of electricity to both wholesale and retail markets, as well as oil trading and oil tank leasing.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

INTERIM FINANCIAL REPORT

Notes – continued

Segment information for the financial period ended 31 December 2022:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	6,850,411	2,097,347	251,751	259,299	9,458,808
Inter-segment elimination	-	(8,371)	(175)	(3,017)	(11,563)
External Revenue	<u>6,850,411</u>	<u>2,088,976</u>	<u>251,576</u>	<u>256,282</u>	<u>9,447,245</u>
Segment profit/(loss) before tax	<u>591,399</u>	<u>9,347</u>	<u>(155,918)</u>	<u>36,012</u>	<u>480,840</u>
Finance costs					710,661
Depreciation and amortisation					629,642
EBITDA*					<u><u>1,821,143</u></u>

*Included is a fair value loss of RM18.2 million and allowance for impairment of RM43.6 million.

Segment information for the financial period ended 31 December 2021:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	5,981,335	2,068,539	434,335	138,757	8,622,966
Inter-segment elimination	-	-	(176)	(2,132)	(2,308)
External Revenue	<u>5,981,335</u>	<u>2,068,539</u>	<u>434,159</u>	<u>136,625</u>	<u>8,620,658</u>
Segment profit/(loss) before tax	<u>78,421</u>	<u>275,341</u>	<u>(50,593)</u>	<u>(126,622)</u>	<u>176,547</u>
Finance costs					468,967
Depreciation and amortisation					637,204
EBITDA*					<u><u>1,282,718</u></u>

*Included is a fair value loss of RM8.8 million and allowance for impairment of RM42.5 million.

A9. Events After the Interim Period

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to the date of this report.

INTERIM FINANCIAL REPORT

Notes – continued

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 31 December 2022, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 5 July 2022, Flipper Limited (a wholly-owned subsidiary of Wessex Concierge Limited) was dissolved following its deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom and ceased to be the indirect wholly-owned subsidiary of the Company.
- (ii) On 6 September 2022, YTL Power Trading (Labuan) Ltd. was dissolved pursuant to Section 131A of the Labuan Companies Act 1990 and ceased to be the wholly-owned subsidiary of the Company.
- (iii) On 19 October 2022, ITS Mobility Sdn. Bhd. was incorporated as a wholly-owned subsidiary of Konsortium Jaringan Selangor Sdn. Bhd. (a subsidiary of YTL Communications Sdn. Bhd.) with an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares and is principally involved in investment holding. As a result, ITS Mobility Sdn. Bhd. became an indirect subsidiary of the Company.
- (iv) On 8 November 2022, YesLinc Sdn. Bhd. (a wholly-owned subsidiary of YTL Communications Sdn. Bhd.) was dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 and ceased to be the indirect subsidiary of the Company.
- (v) On 23 November 2022, ITS Mobility Sdn. Bhd. acquired 51 ordinary shares, representing 51% of the issued and paid-up share capital of ITS Synergy Sdn. Bhd. for a consideration of RM51.00. As a result, ITS Synergy Sdn. Bhd. became an indirect subsidiary of the Company.

ITS Synergy Sdn. Bhd. was incorporated on 20 October 2022 with an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares and is principally involved in investment holding.

- (vi) On 23 November 2022, ITS Synergy Sdn. Bhd. acquired 100 ordinary shares, representing the entire issued and paid-up share capital of MLFF Technologies Sdn. Bhd. for a consideration of RM100.00. As a result, MLFF Technologies Sdn. Bhd. became an indirect subsidiary of the Company.

MLFF Technologies Sdn. Bhd. was incorporated on 20 October 2022 with an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares and will be principally involved in construction, installation, integration, commission, operation, management and maintenance of all digital infrastructures, including electronic toll system, telecommunication network towers and infrastructure, fiberisation network, internet-of-things, digital smart applications and related services.

INTERIM FINANCIAL REPORT

Notes – continued

A11. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2022.

A12. Fair Value Measurement

The Group measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

- a) Level 1 – quoted price (unadjusted) in active market for identical assets or liabilities;
- b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- c) Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the Group’s assets and liabilities that are measured at fair value as at:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.12.2022				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	821	-	821
- Income funds	-	760,281	-	760,281
- Equity investments	-	101,454	-	101,454
Financial assets at fair value through other comprehensive income				
Derivatives used for hedging	42,907	48	149,425	192,380
Total assets	<u>42,907</u>	<u>887,877</u>	<u>149,425</u>	<u>1,080,209</u>
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	681	-	681
Derivatives used for hedging	-	150,209	-	150,209
Total liabilities	<u>-</u>	<u>150,890</u>	<u>-</u>	<u>150,890</u>

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**

B1. Review of the Results

The comparison of the results is tabulated below:

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	31.12.2022 RM'000	31.12.2021 RM'000		31.12.2022 RM'000	31.12.2021 RM'000	
Revenue						
Power generation	3,386,827	3,863,721	-12.3%	6,850,411	5,981,335	+14.5%
Water & sewerage	1,039,431	1,026,116	+1.3%	2,088,976	2,068,539	+1.0%
Telecommunications business	138,677	160,542	-13.6%	251,576	434,159	-42.1%
Investment holding activities	137,844	56,808	>100.0%	256,282	136,625	+87.6%
	<u>4,702,779</u>	<u>5,107,187</u>	-7.9%	<u>9,447,245</u>	<u>8,620,658</u>	+9.6%
Profit/(Loss) before taxation						
Power generation	301,450	8,659	>100.0%	591,399	78,421	>100.0%
Water & sewerage	(16,081)	145,248	->100.0%	9,347	275,341	-96.6%
Telecommunications business	(71,935)	(16,424)	->100.0%	(155,918)	(50,593)	->100.0%
Investment holding activities	42,508	(61,285)	>100.0%	36,012	(126,622)	>100.0%
	<u>255,942</u>	<u>76,198</u>	>100.0%	<u>480,840</u>	<u>176,547</u>	>100.0%

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a) Current Quarter vs Preceding Year Corresponding Quarter

The Group's profit before taxation for the current financial quarter increased by RM179.7 million or 235.8% to RM255.9 million as compared to RM76.2 million recorded in the preceding year corresponding quarter.

The Group recorded lower revenue of RM4,702.8 million for the current financial quarter ended 31 December 2022, a decrease of RM404.4 million or 7.9% as compared to RM5,107.2 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the current financial quarter ended 31 December 2022 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation

The increase in profit before taxation was mainly due to the higher retail prices.

The decrease in revenue was primarily due to the lower pool prices.

Water & sewerage

The loss before taxation was mainly due to interest accruals on index-link bonds, a non-cash impact of RM75 million (GBP14 million). Base cost increases will be subsequently compensated in future year's tariff revenue.

Revenue approximated that of the preceding year corresponding quarter.

Telecommunications business

The higher loss before taxation and lower revenue was mainly due to lower project revenue recorded.

Investment holding activities

The profit before taxation was mainly due to higher interest income and higher share of profits of an associate.

The increase in revenue was mainly due to higher interest income.

b) Current Year to date vs Preceding Year to date

The Group's profit before taxation for the current financial period increased by RM304.3 million or 172.4% to RM480.8 million as compared to RM176.5 million recorded in the preceding year corresponding period, principally attributable to the better performance in Power generation segment.

The Group recorded higher revenue of RM9,447.2 million for the current financial period ended 31 December 2022, an increase of RM826.5 million or 9.6% as compared to RM8,620.7 million recorded in the preceding financial period ended 31 December 2021.

Performance of the respective operating business segments for the period ended 31 December 2022 as compared to the preceding year corresponding period was consistent with the notes mentioned in (a) above.

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B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2022 RM'000	Preceding Quarter 30.9.2022 RM'000	Variance % +/-
Revenue	4,702,779	4,744,466	-0.9%
Consolidated profit before taxation	255,942	224,898	+13.8%
Consolidated profit after taxation	190,712	167,628	+13.8%

The higher profit before taxation as compared to the preceding quarter was primarily attributable to the better performance in the Investment holding activities segment.

B3. Prospects

The prospects of the respective business segments of the Group for the financial year ending 30 June 2023 are set out below:

Power generation

YTL PowerSeraya Pte. Limited (“YTL PowerSeraya”), a wholly-owned subsidiary of the Company and TNB Power Generation Sdn. Bhd. (“TNB Genco”), a wholly-owned subsidiary of Tenaga Nasional Bhd. have teamed up to export and import 100 megawatts (MW) of electricity to Singapore via the newly upgraded interconnector. It is the first-time electricity from Malaysia would be supplied to Singapore on a commercial basis, adhering to the Malaysian Energy Commission’s guide for cross-border electricity sales (“CBES Guide”). YTL PowerSeraya will purchase the electricity from TNB Pasir Gudang Energy Sdn.Bhd., a special purpose vehicle wholly owned by TNB Genco. Both parties will work closely with the Energy Market Authority and the Energy Commission to refine all technical settings and regulatory arrangements under the Electricity Import Framework and the agreement will be effective upon fulfilment of the conditions precedent.

In November 2022, YTL PowerSeraya together with its consortium partners won a tender from the Land Transport Authority to build not less than 1,200 electric vehicle charging points at Housing & Development Board carparks in the Central and East regions of Singapore.

As power generation is an essential service, electricity demand is expected to remain stable. This segment will continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

The Group intends to develop a large portion of the Kulai Young Estate into a 500MW green data centre park integrated with large scale solar power facility with a generation capacity of up to 500MW. This is in line with the Group’s shift towards investing in more sustainable renewable energy solutions moving forward.

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Water & sewerage

As Wessex Water's appointed business continues through the third year of its Price Review ("PR19"), it continues to work towards delivering the investment commitments agreed with the regulator. Base costs inflation will be insulated by future year's tariff revenue. Future contributions to the Pension Scheme deficit will be significantly lower due to increasing interest rates. In addition, Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

Telecommunications business

In December 2021, together with Digital Nasional Bhd's ("DNB") pilot launch of Malaysia's 5G wholesale services in the Klang Valley, YTL Communications launched its 5G services, becoming the first telco in Malaysia to offer 5G access to its customers. The Group's YES #FirstTo5G and Infinite data plans which currently provide unlimited 5G plus 4G data and its Infinite+ device plans, enables users to experience the fifth generation of wireless mobile technology, delivering higher data speed, ultra-low latency, more reliable coverage, massive network capacity and a more uniform user experience. YTL Communications expects to extend its 5G services to the rest of the country in tandem with the rollout of DNB's 5G network. DNB in a statement announced that it had achieved almost 50% 5G coverage of the population at the end of 2022, exceeding its target of 40%. It plans to achieve 80% coverage by 2024.

By continuing to offer affordable data plans and offering innovative 5G services, this segment is looking to increase its subscriber base bolstered by partnerships and collaborations.

Investment holding activities

The Group is developing the YTL Green Data Center Park within the Kulai Young Estate. This will be the first data center campus in Malaysia to be co-powered by on-site renewable solar energy. To date, the Group has partnered with Sea Limited as a co-locator to anchor this world-class green facility. The campus will incorporate innovative and sustainable solutions in design and operations to achieve high-energy efficiency and is expected to serve a growing demand in the region for eco-friendly, cost-efficient data center solutions from hyperscalers and co-location customers alike.

The Group in consortium with Sea Limited was awarded a digital banking licence by Bank Negara Malaysia in April 2022. This new venture, which will leverage multiple synergies between the Group and Sea Limited, will enable the Group to further contribute to the growth of Malaysia's digital transformation and broaden access of its citizens to financial services, particularly the underserved and underbanked, as well as micro, small and medium enterprises (MSMEs).

The Group expects the performance of its business segments to remain resilient due to the essential nature of its operations, and will continue to closely monitor the related risks and impact on all business segments.

B4. Variance of Actual Profit from Financial Estimate, Forecast, Projection or Profit Guarantee

The Group did not issue any financial estimate, forecast, projection or profit guarantee during the current financial year to date.

INTERIM FINANCIAL REPORT

Notes – continued

B5. Audit Report of the preceding financial year ended 30 June 2022

The Auditors' Report on the financial statements of the financial year ended 30 June 2022 did not contain any qualification.

B6. Profit for the period

	Current Quarter 31.12.2022 RM'000	Current Year To Date 31.12.2022 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of an associate	3	272
Allowance for impairment of receivables (net of reversals)	22,185	43,059
Amortisation of contract costs	247	478
Amortisation of deferred income	(4,582)	(9,109)
Amortisation of grants and contributions	(1,391)	(2,748)
Amortisation of intangible assets	16,216	32,871
Bad debts recovered	(501)	(917)
Depreciation of property, plant and equipment	268,608	538,473
Depreciation of right-of-use assets	36,333	69,677
Fair value loss on investments	1,260	18,192
Loss on foreign exchange	64,271	3,789
Interest expense	378,760	710,661
Interest income	(2,344)	(4,986)
Net gain on disposal of property, plant and equipment	(1,797)	(3,875)
Property, plant and equipment written off	1,456	2,843
(Write back of)/Allowance for impairment of inventories	(86)	239
	<u>=====</u>	<u>=====</u>

There was no exceptional items charged/(credited) for the period.

B7. Taxation

	Current Quarter 31.12.2022 RM'000	Current Year To Date 31.12.2022 RM'000
In respect of current period		
- Income Tax	62,967	117,305
- Deferred Tax	2,263	5,195
	<u>65,230</u>	<u>122,500</u>

The higher effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year to date was mainly due to non-deductibility of certain expenses for tax purposes and partially offset by income subjected to different tax jurisdictions.

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B8. Corporate Proposals

There were no corporate proposals announced by the Company which are not completed as at the date of this report.

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2022 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdrafts	-	98,285	98,285
Bonds	-	1,978,564	1,978,564
Hire purchase	33	-	33
Revolving credit	-	1,156,125	1,156,125
Term loans	-	84,580	84,580
Trade loans	-	2,845	2,845
	<u>33</u>	<u>3,320,399</u>	<u>3,320,432</u>
Non- current			
Bonds	-	14,038,215	14,038,215
Hire purchase	124	-	124
Revolving credit	-	813,040	813,040
Term loans	-	10,092,096	10,092,096
	<u>124</u>	<u>24,943,351</u>	<u>24,943,475</u>
Total borrowings	<u>157</u>	<u>28,263,750</u>	<u>28,263,907</u>

The borrowings which are denominated in foreign currency are as follows:

	Foreign currency '000	RM Equivalents '000
US Dollar	<u>422,860</u>	<u>1,866,081</u>
Sterling Pound	<u>2,668,871</u>	<u>14,187,451</u>
Singapore Dollar	<u>1,853,410</u>	<u>6,082,706</u>

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,189.9 million, for which the Company has provided corporate guarantees to the financial institutions.

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B10. Derivative Financial Instruments and Fair Value Changes of Financial Liabilities

(a) Derivative Financial Instruments

As at 31 December 2022, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contractual notional amount RM'000	Fair Value RM'000
<u>Fuel oil Swaps</u>		
- Less than 1 year	1,685,238	(60,891)
- 1 year to 3 years	108,007	(3,100)
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,880,189	(51,259)
- 1 year to 3 years	264,462	(9,546)
- More than 3 years	-	-

The Group entered into fuel oil swaps to hedge highly probable forecast fuel purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

All derivative financial instruments are executed with creditworthy counterparties with a view to limit the credit risk exposure of the Group.

(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial period ended 31 December 2022 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain	Fair value gain	
			Current quarter 31.12.2022 RM'000	Current year to date 31.12.2022 RM'000
Currency forwards	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of the Group	-	15
Total			-	15

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B11. Material Litigation

There were no material litigations since the date of the last audited financial statements of financial position.

B12. Dividend

No dividend has been declared for the current financial quarter.

B13. Earnings Per Share

(i) Basic Earnings Per Share

The basic earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the financial quarter and financial year to date as set out below:

	Individual Quarter		Cumulative Quarter	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to Owners of the Parent (RM'000)	<u>198,822</u>	<u>18,792</u>	<u>372,104</u>	<u>54,187</u>
Weighted average number of ordinary shares ('000)	<u>8,102,154</u>	<u>8,102,156</u>	<u>8,102,155</u>	<u>8,102,157</u>
Basic earnings per share (Sen)	<u>2.45</u>	<u>0.23</u>	<u>4.59</u>	<u>0.67</u>

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(ii) Diluted Earnings Per Share

The diluted earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the financial quarter and financial year to date as set out below:

	Individual Quarter		Cumulative Quarter	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to Owners of the Parent (RM'000)	<u>198,822</u>	<u>18,792</u>	<u>372,104</u>	<u>54,187</u>
<i>Weighted average number of ordinary shares – diluted ('000)</i>				
Weighted average number of ordinary shares - basic	8,102,154	8,102,156	8,102,155	8,102,157
Effect of unexercised ESOS	<u>41,198</u>	<u>-</u>	<u>43,825</u>	<u>-</u>
	<u>8,143,352</u>	<u>8,102,156</u>	<u>8,145,980</u>	<u>8,102,157</u>
Diluted earnings per share (Sen)	<u>2.44</u>	<u>0.23</u>	<u>4.57</u>	<u>0.67</u>

* Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM130.6 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM130.6 million resulting in a decrease in NA per share of RM0.03. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 23 February 2023