

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

**Interim Financial Report**  
**31 December 2020**

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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 2020.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2019 RM'000	6 MONTHS ENDED	
			31.12.2020 RM'000	31.12.2019 RM'000
Revenue	2,616,552	2,795,625	5,119,382	5,755,134
Cost of sales	(2,224,201)	(2,381,001)	(4,369,351)	(4,924,160)
Gross profit	392,351	414,624	750,031	830,974
Other operating income	35,949	8,468	57,196	61,137
Other operating expenses	(80,201)	(150,125)	(198,697)	(312,851)
Profit from operations	348,099	272,967	608,530	579,260
Finance costs	(231,778)	(280,726)	(470,879)	(569,919)
Share of profits of investments accounted for using the equity method	90,259	110,188	177,786	200,802
<b>Profit before taxation</b>	206,580	102,429	315,437	210,143
Taxation	(50,584)	(32,819)	(81,565)	(70,449)
<b>Profit for the period</b>	155,996	69,610	233,872	139,694
<b>Attributable to:</b>				
Owners of the parent	154,553	70,259	231,436	137,616
Non-controlling interests	1,443	(649)	2,436	2,078
	155,996	69,610	233,872	139,694
<b>Earnings per share attributable to owners of the parent</b>				
Basic (sen)	1.95	0.92	2.97	1.79
Diluted (sen)	1.95	0.92	2.97	1.79

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 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 31.12.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2019 RM'000	6 MONTHS ENDED	
			31.12.2020 RM'000	31.12.2019 RM'000
<b>Profit for the period</b>	155,996	69,610	233,872	139,694
<b>Other comprehensive income/(loss):</b>				
<i>Items that will not be reclassified subsequently to income statement:</i>				
Financial assets at fair value through other comprehensive income	8,479	618	(5,281)	872
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- Subsidiaries	166,754	120,756	201,588	(178,637)
- Associates and joint ventures	-	37,601	-	1,204
Currency translation differences:				
- Subsidiaries	170,070	193,909	174,276	(5,443)
- Associates and joint ventures	(37,252)	(34,313)	(85,313)	(26,020)
	-----	-----	-----	-----
<b>Other comprehensive income/(loss) for the period, net of tax</b>	308,051	318,571	285,270	(208,024)
	-----	-----	-----	-----
<b>Total comprehensive income/(loss) for the period</b>	464,047	388,181	519,142	(68,330)
	=====	=====	=====	=====
<b>Attributable to:</b>				
Owners of the parent	484,687	407,142	558,092	(60,235)
Non-controlling interests	(20,640)	(18,961)	(38,950)	(8,095)
	-----	-----	-----	-----
	464,047	388,181	519,142	(68,330)
	=====	=====	=====	=====

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2020</b>	<b>30.6.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	22,902,806	21,880,462
Investment properties	525,608	467,208
Project development costs	255,205	248,617
Intangible assets	8,529,488	8,641,718
Right-of-use assets	525,328	621,765
Investments accounted for using the equity method	2,115,390	2,215,451
Investments	210,744	215,369
Derivative financial instruments	4,556	10,585
Receivables, deposits and prepayments	1,424,778	1,384,457
	-----	-----
	36,493,903	35,685,632
	-----	-----
<b>Current assets</b>		
Inventories	302,997	311,910
Investments	1,797,955	1,389,043
Receivables, deposits and prepayments	2,250,249	2,192,566
Derivative financial instruments	122,527	74,259
Cash and bank balances	6,968,918	7,484,725
	-----	-----
	11,442,646	11,452,503
	-----	-----
<b>TOTAL ASSETS</b>	<b>47,936,549</b>	<b>47,138,135</b>
	=====	=====
<b>EQUITY AND LIABILITIES</b>		
Share capital	7,038,587	7,038,587
Reserves	5,549,620	5,688,663
Treasury shares, at cost	(41,897)	(708,261)
	-----	-----
Equity attributable to owners of the parent	12,546,310	12,018,989
Non-controlling interests	(96,014)	23,765
	-----	-----
<b>TOTAL EQUITY</b>	<b>12,450,296</b>	<b>12,042,754</b>
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2020</b>	<b>30.6.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred taxation	2,111,519	2,029,692
Borrowings	21,111,299	20,153,160
Lease liabilities	447,522	454,145
Post-employment benefit obligations	861,223	888,898
Grants and contributions	633,001	596,668
Derivative financial instruments	5,622	15,401
Payables	1,374,656	1,280,697
	-----	-----
	26,544,842	25,418,661
	-----	-----
<b>Current liabilities</b>		
Payables and accrued expenses	2,171,389	2,050,968
Derivative financial instruments	68,382	174,944
Post-employment benefit obligations	2,696	655
Taxation	34,807	3,695
Borrowings	6,589,805	7,311,704
Lease liabilities	74,332	134,754
	-----	-----
	8,941,411	9,676,720
	-----	-----
<b>TOTAL LIABILITIES</b>	35,486,253	35,095,381
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	47,936,549	47,138,135
	=====	=====
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	1.55	1.57
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 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 2020**

	-----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 2020	7,038,587	(1,692,576)	(708,261)	7,381,239	12,018,989	23,765	12,042,754
Profit for the financial period	-	-	-	231,436	231,436	2,436	233,872
Other comprehensive income/(loss) for the financial period	-	326,656	-	-	326,656	(41,386)	285,270
Total comprehensive income/(loss) for the financial period	-	326,656	-	231,436	558,092	(38,950)	519,142
Dividends paid	-	-	-	-	-	(80,829)	(80,829)
Share dividend	-	-	699,576	(699,576)	-	-	-
Share option expenses	-	2,441	-	-	2,441	-	2,441
Share option lapsed	-	(614)	-	614	-	-	-
Share repurchased	-	-	(33,212)	-	(33,212)	-	(33,212)
At 31 December 2020	7,038,587	(1,364,093)	(41,897)	6,913,713	12,546,310	(96,014)	12,450,296

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 2020 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 2019**

	-----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 30 June 2019, as previously reported	7,038,587	(1,596,412)	(708,259)	7,910,466	12,644,382	226,280	12,870,662
Adjustments from adoption of MFRS 16	-	-	-	(31,570)	(31,570)	(20,791)	(52,361)
At 1 July 2019, as restated	7,038,587	(1,596,412)	(708,259)	7,878,896	12,612,812	205,489	12,818,301
Profit for the financial period	-	-	-	137,616	137,616	2,078	139,694
Other comprehensive loss for the financial period	-	(197,851)	-	-	(197,851)	(10,173)	(208,024)
Total comprehensive (loss)/income for the financial period	-	(197,851)	-	137,616	(60,235)	(8,095)	(68,330)
Interim dividend paid for the financial year ended 30 June 2019	-	-	-	(383,765)	(383,765)	-	(383,765)
Share option lapsed	-	(167)	-	167	-	-	-
Share repurchased	-	-	(1)	-	(1)	-	(1)
Share option expenses	-	2,645	-	-	2,645	-	2,645
At 31 December 2019	7,038,587	(1,791,785)	(708,260)	7,632,914	12,171,456	197,394	12,368,850

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 2020 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 2020**

	<b>6 MONTHS ENDED</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit for the financial period	233,872	139,694
Adjustment for:		
Allowance for impairment of inventories	14,696	453
Amortisation of contract costs	1,927	4,554
Amortisation of grants and contributions	(11,530)	(9,754)
Amortisation of intangible assets	33,446	9,892
Bad debts recovered	(1,077)	(1,550)
Depreciation of property, plant and equipment	508,495	547,197
Depreciation of right-of-use assets	65,424	62,682
Fair value gain on derivatives	-	(2,687)
Fair value gain on investments	(8,965)	(5,779)
Interest expense	470,879	569,919
Interest income	(3,191)	(5,245)
Net gain on disposal of property, plant and equipment	(592)	(2,989)
Property, plant and equipment written off	1,228	4,196
Provision for liabilities and charges	1,536	1,481
Provision for post-employment benefit	23,290	24,273
Share of profits of investments accounted for using the equity method	(177,786)	(200,802)
Share option expenses	2,401	2,579
Taxation	81,565	70,449
Unrealised loss on foreign exchange	9,435	30
(Write back of)/Allowance for impairment of receivables (net of reversals)	(38,464)	33,466
Other non-cash items	342	-
	-----	-----
	1,206,931	1,242,059
Changes in working capital:		
Inventories	(4,132)	154,426
Receivables, deposits and prepayments	(110,361)	147,464
Payables and accrued expenses	226,302	(281,598)
	-----	-----
Cash flows from operations	1,318,740	1,262,351
Interest paid	(421,261)	(555,825)
Payment to post-employment benefit obligations	(93,131)	(23,420)
Tax paid	(25,481)	(84,641)
	-----	-----
Net cash flows from operating activities	778,867	598,465
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 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 2020 - Continued**

	<b>6 MONTHS ENDED</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Additional investments	(814)	-
Development expenditure incurred on investment properties	(40,475)	(24,658)
Dividends received	199,085	189,559
Grants received	32,811	37,033
Interest received	2,084	8,248
Net decrease in deposits maturing more than 90 days	97,637	-
Net placement of income funds	(371,958)	-
Prepayment for land acquisition	(3,899)	(2,010)
Proceeds from disposal of investments	134	-
Proceeds from disposal of property, plant and equipment	3,872	6,767
Purchase of intangible assets	(97)	(69,760)
Purchase of property, plant and equipment	(835,561)	(717,045)
Shareholder loans	(45,842)	(46,880)
	-----	-----
Net cash flows used in investing activities	(963,023)	(618,746)
	-----	-----
<b>Cash flows from financing activities</b>		
Dividends paid	-	(383,765)
Dividends paid to non-controlling interests	(80,829)	-
Proceeds from borrowings	861,961	1,038,047
Repayment of borrowings	(913,415)	(300,399)
Repayment of lease liabilities	(87,831)	(79,232)
Repurchase of own shares	(33,212)	(1)
	-----	-----
Net cash flows (used in)/from financing activities	(253,326)	274,650
	-----	-----
Net changes in cash and cash equivalents	(437,482)	254,369
Effects of exchange rate changes	45,617	65,480
Cash and cash equivalents at beginning of the financial year	6,923,559	7,539,691
	-----	-----
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	6,531,694	7,859,540
	=====	=====
<i>[Note a]</i>		
Cash and cash equivalents at the end of the financial period comprise:		
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	6,075,839	7,364,876
Cash and bank balances	893,079	495,613
Deposits with maturity 90 days and more	(437,224)	-
Bank overdrafts	-	(949)
(included within short term borrowing in Note B9)		
	-----	-----
	6,531,694	7,859,540
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 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 2020.

#### **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 2020.

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 2020.

The adoption of MFRSs, amendments to MFRSs and IC interpretation which were effective for financial year beginning on or after 1 July 2020 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
<b>Power generation (Contracted)</b>				
- Sale of electricity	64,074	222,552	136,359	431,207
<b>Multi utilities business (Merchant)</b>				
- Sale of electricity	1,398,070	1,379,333	2,714,322	2,851,299
- Sale of steam	41,594	38,124	87,521	92,633
- Others	43,980	75,058	88,126	240,937
	<u>1,483,644</u>	<u>1,492,515</u>	<u>2,889,969</u>	<u>3,184,869</u>
<b>Water &amp; sewerage</b>				
- Supply of clean water and treatment and disposal of waste water	935,805	891,458	1,809,737	1,748,657
<b>Telecommunications business</b>				
- Sale of devices	376	1,566	1,900	4,455
- Telecommunications services	83,172	87,792	170,337	168,154
- Telecommunications infrastructure business	13,202	9,504	25,977	23,843
	<u>96,750</u>	<u>98,862</u>	<u>198,214</u>	<u>196,452</u>
<b>Investment holding activities</b>				
- Investment income	18,043	44,402	37,219	90,328
- Management, operation and maintenance fees	14,908	29,452	30,856	69,880
- Others	3,328	16,384	17,028	33,741
	<u>36,279</u>	<u>90,238</u>	<u>85,103</u>	<u>193,949</u>
	<u>2,616,552</u>	<u>2,795,625</u>	<u>5,119,382</u>	<u>5,755,134</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**

There was no share issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme during the current financial quarter and financial year to date.

During the current financial quarter and financial year to date, the Company repurchased 45,900,000 and 45,901,000 ordinary shares from the open market for a total consideration of RM33,211,186 and RM33,211,920, respectively. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares.

During the current financial quarter and financial year to date, a total of 479,687,081 treasury shares were distributed on 12 November 2020 to the shareholders on the basis of one (1) treasury share for every sixteen (16) ordinary shares held as at 28 October 2020. As at 31 December 2020, the number of treasury shares held was 49,122,631 ordinary shares.

The outstanding debts are as disclosed in Note B9.

**A7. Dividends Paid**

There was no dividend paid during the current financial quarter and financial year to date.

**A8. Segment Information**

The Group has five reportable segments as described below:

- a) Power generation (Contracted)
- b) Multi utilities business (Merchant)
- c) Water and sewerage
- d) Telecommunications business
- e) Investment holding activities

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

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

Segment information for the financial period ended 31 December 2020:

	<b>Power generation (Contracted) RM'000</b>	<b>Multi utilities business (Merchant) RM'000</b>	<b>Water &amp; sewerage RM'000</b>	<b>Telecom- munications business RM'000</b>	<b>Investment holding activities RM'000</b>	<b>Group RM'000</b>
<b>Total Revenue</b>	136,359	2,889,969	1,809,737	198,730	105,075	5,139,870
<b>Inter-segment elimination</b>	-	-	-	(516)	(19,972)	(20,488)
<b>External Revenue</b>	<u>136,359</u>	<u>2,889,969</u>	<u>1,809,737</u>	<u>198,214</u>	<u>85,103</u>	<u>5,119,382</u>
<b>Segment profit/(loss) before tax</b>	<u>12,767</u>	<u>181,663</u>	<u>266,255</u>	<u>(145,523)</u>	<u>275</u>	<u>315,437</u>
Finance costs						470,879
Depreciation and amortisation						597,762
<b>EBITDA*</b>						<u><u>1,384,078</u></u>

\*Included is a fair value gain of RM9.0 million and write back of impairment of RM23.8 million.

Segment information for the financial period ended 31 December 2019:

	<b>Power generation (Contracted) RM'000</b>	<b>Multi utilities business (Merchant) RM'000</b>	<b>Water &amp; sewerage RM'000</b>	<b>Telecom- munications business RM'000</b>	<b>Investment holding activities RM'000</b>	<b>Group RM'000</b>
<b>Total Revenue</b>	431,207	3,184,869	1,748,657	197,782	224,082	5,786,597
<b>Inter-segment elimination</b>	-	-	-	(1,330)	(30,133)	(31,463)
<b>External Revenue</b>	<u>431,207</u>	<u>3,184,869</u>	<u>1,748,657</u>	<u>196,452</u>	<u>193,949</u>	<u>5,755,134</u>
<b>Segment profit/(loss) before tax</b>	<u>29,405</u>	<u>(117,513)</u>	<u>384,145</u>	<u>(176,891)</u>	<u>90,997</u>	<u>210,143</u>
Finance costs						569,919
Depreciation and amortisation						614,571
<b>EBITDA*</b>						<u><u>1,394,633</u></u>

\*Included is a fair value gain of RM8.5 million and allowance for impairment of RM33.9 million.

## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

#### **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.

#### **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 2020, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 10 September 2020, P.T. YTL Harta Indonesia (“YTL Harta Indonesia”) was incorporated by YTL Jawa O & M Holdings B.V. and P.T. YTL Jawa Timur (the indirect subsidiaries of the Company) at the shareholdings of 95% and 5% respectively. As a result, YTL Harta Indonesia became an indirect subsidiary of the Company.

YTL Harta Indonesia was incorporated in Indonesia with an issued share capital of Rp2,500,000,000 comprising 2,500 ordinary shares to undertake industrial estate business activities.

- (ii) On 27 November 2020, Dials At Brabazon Management Company Limited (“Dials At Brabazon”) and Navigator At Brabazon Management Company Limited (“Navigator At Brabazon”) were incorporated as wholly-owned subsidiaries of YTL Homes Limited (an indirect wholly-owned subsidiary of the Company). As a result, Dials At Brabazon and Navigator At Brabazon became indirect wholly-owned subsidiaries of the Company.

Dials At Brabazon and Navigator At Brabazon were incorporated in England and Wales as a company limited by guarantee without share capital and will be principally involved in the management of real estate.

#### **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 2020.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**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
<b>31.12.2020</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Income funds	-	1,797,955	-	1,797,955
- Equity investments	-	3,671	-	3,671
Financial assets at fair value through other comprehensive income	44,984	44	162,045	207,073
Derivatives used for hedging	-	127,083	-	127,083
<b>Total assets</b>	<b>44,984</b>	<b>1,928,753</b>	<b>162,045</b>	<b>2,135,782</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	4,043	-	4,043
Derivatives used for hedging	-	69,961	-	69,961
<b>Total liabilities</b>	<b>-</b>	<b>74,004</b>	<b>-</b>	<b>74,004</b>

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**INTERIM FINANCIAL REPORT**

**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:

	<b>Individual Quarter</b>		<b>Variance</b> %	<b>Cumulative Quarter</b>		<b>Variance</b> %
	<b>31.12.2020</b> RM'000	<b>31.12.2019</b> RM'000		<b>31.12.2020</b> RM'000	<b>31.12.2019</b> RM'000	
<b>Revenue</b>						
Power generation (Contracted)	64,074	222,552	-71.2%	136,359	431,207	-68.4%
Multi utilities business (Merchant)	1,483,644	1,492,515	-0.6%	2,889,969	3,184,869	-9.3%
Water & sewerage	935,805	891,458	+5.0%	1,809,737	1,748,657	+3.5%
Telecommunications business	96,750	98,862	-2.1%	198,214	196,452	+0.9%
Investment holding activities	36,279	90,238	-59.8%	85,103	193,949	-56.1%
	<u>2,616,552</u>	<u>2,795,625</u>	-6.4%	<u>5,119,382</u>	<u>5,755,134</u>	-11.0%
<b>Profit/(Loss) before taxation</b>						
Power generation (Contracted)	14,529	15,719	-7.6%	12,767	29,405	-56.6%
Multi utilities business (Merchant)	145,544	(48,362)	>100.0%	181,663	(117,513)	>100.0%
Water & sewerage	135,107	189,119	-28.6%	266,255	384,145	-30.7%
Telecommunications business	(75,964)	(107,159)	+29.1%	(145,523)	(176,891)	+17.7%
Investment holding activities	(12,636)	53,112	->100.0%	275	90,997	-99.7%
	<u>206,580</u>	<u>102,429</u>	>100.0%	<u>315,437</u>	<u>210,143</u>	+50.1%

## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group profit before taxation for the current financial quarter has improved by RM104.2 million or 101.8% to RM206.6 million as compared to a profit of RM102.4 million recorded in the preceding year corresponding quarter.

The Group recorded a revenue of RM2,616.6 million for the current financial quarter ended 31 December 2020 as compared to RM2,795.6 million recorded in the preceding year corresponding quarter ended 31 December 2019.

Performance of the respective operating business segments for the quarter ended 31 December 2020 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)

The profit before taxation was consistent to the comparative quarter.

The lower revenue was mainly due to the lower energy payment recorded.

Multi utilities business (Merchant)

The increase in profit before taxation was mainly due to the higher retail and vesting gross margins, higher fuel oil tank leasing rates, lower finance costs and a recovery of impairment of receivables arising from an appeal against High Court's decision.

The revenue was consistent to the comparative quarter.

Water & sewerage

The lower profit before taxation was mainly due to the price reset as determined by regulator and depreciation charges following additional investment in capital expenditures.

The higher revenue was primarily due to an increase in unregulated project income.

Telecommunications business

The improvement in loss before taxation was mainly due to the lower depreciation charges. The EBITDA continues to remain positive.

The revenue was consistent to the comparative quarter.

Investment holding activities

The loss before taxation was mainly due to the lower share of profits of investments accounted for using the equity method and lower revenue as mentioned below.

The lower revenue was primarily due to the lower interest income.

b) Current Year to date vs Preceding Year to date

The Group profit before taxation for the current financial period has improved by RM105.3 million or 50.1% to RM315.4 million as compared to a profit of RM210.1 million recorded in the preceding year corresponding period, principally attributable to the better performance in Multi utilities business (Merchant) segment.

The Group revenue was RM5,119.4 million for the current financial period ended 31 December 2020 as compared to RM5,755.1 million recorded in the preceding financial period ended 31 December 2019.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

Performance of the respective operating business segments for the period ended 31 December 2020 as compared to the preceding year corresponding period was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Power generation (Contracted)

The lower profit before taxation was mainly due to a one-off write-down of inventories.

The lower revenue was mainly due to the lower energy payment recorded.

Water & sewerage

The lower profit before taxation was mainly due to the price reset as determined by regulator and depreciation charges following additional investment in capital expenditures.

The higher revenue was primarily due to an increase in unregulated project income and the strengthening of Great Britain Pound against Ringgit Malaysia.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.12.2020 RM'000</b>	<b>Preceding Quarter 30.9.2020 RM'000</b>	<b>Variance % +/-</b>
Revenue	2,616,552	2,502,830	+4.5%
Consolidated profit before taxation	206,580	108,857	+89.8%
Consolidated profit after taxation	155,996	77,876	>100.0%

The higher profit before taxation as compared to preceding quarter was primarily attributable to the better performance in Multi utilities business (Merchant) segment following a recovery of impairment of receivables arising from an appeal against High Court's decision.

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## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

#### **B3. Prospects**

Globally, businesses are facing unprecedented social and economic challenges following the outbreak of the global Covid-19 pandemic. Countries where the Group operate have implemented various movement control regulations and laws and limited the operation of non-essential services. However, the Group's businesses have largely not been affected as being utility in nature, are essential services that have continued to operate throughout the current control period.

##### Power generation (Contracted)

The Group has an 80% equity interest in PT Tanjung Jati Power Company (“TJPC”), an independent power producer which is undertaking the development of Tanjung Jati A, a 2 x 660 megawatt coal-fired power project in Java, Indonesia. TJPC has a 30-year power purchase agreement with PT PLN (Persero), Indonesia's state-owned electric utility company, amended and restated in December 2015 and March 2018. In February 2020, TJPC obtained the Business Viability Guarantee Letter from the Ministry of Finance of the Republic of Indonesia and is working towards achieving financial close.

The Group also has a 45% equity interest in Attarat Power Company (“APCO”), which is developing a 554 megawatt (gross) oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year Power Purchase Agreement (including construction period of 3.5 years) with the National Electric Power Company (“NEPCO”), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the Power Purchase Agreement to 40 years (from the commercial operation date of the project's second unit). Construction has commenced on the project with commercial operations for the first unit scheduled to commence in the middle of the calendar year 2020 and the second unit in the last quarter of the calendar year 2020. However, the global Covid-19 pandemic has led to a delay in the project due to travel and movement restrictions imposed by the Government of Jordan with commercial operations for both units now expected to be in the middle of the calendar year 2021. APCO has invoked the force majeure provisions under the Power Purchase Agreement with NEPCO. As the effects of Covid-19 are still on-going, the force majeure provisions are still in effect.

YTL Power Generation Sdn. Bhd. (“YTLPG”) commenced operations on 1 September 2017 for the supply of 585MW of capacity from the existing facility in Paka for a term of 3 years 10 months, which will be expiring on 30 June 2021.

##### Multi utilities business (Merchant)

Electricity demand has gradually improved as Singapore eases into Phase 3. A phase which allows social, cultural, religious and business gatherings or events to resume with limited crowd sizes as part of the control measures of Covid-19 pandemic.

## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

The proposed acquisition of Tuaspring announced on 12 March 2020 which is currently pending completion is a logical extension of the Group’s existing multi utilities operations. The power plant and associated assets of Tuaspring, which is the newest combined cycle power plant in Singapore, will, upon completion, be integrated into existing businesses and expected to contribute positively to the future earnings of the Group. The proposed acquisition was approved by the Energy Market Authority of Singapore (EMA) in May 2020; completion is now conditional on the approval from the Public Utilities Board of Singapore and completion of financing.

This segment will continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

#### Water & sewerage

Wessex Water continues to work towards the investment commitments agreed with the regulator as part of its Price Review 2020-2025 (“PR19”). Over the last 5 years, Wessex Water’s investment in its regulated assets base (“RAB”) increased from RM15.11 billion (GBP2.75 billion) to RM17.79 billion (GBP3.35 billion). The RAB value is expected to increase to RM20.66 billion (GBP3.89 billion) at the end of the period, 31 March 2025 following the investment commitments agreed for PR19.

#### Telecommunications business

With the existing network in place, this segment will continue to expand its telecommunications infrastructure business and subscriber base. In August 2020, Jalanan Digital Negara (“JENDELA”), a plan to upgrade Malaysia’s digital communications infrastructure formulated by the Government and the Malaysian Communications and Multimedia Commission, was launched. Initial phases of the plan focus on expanding 4G mobile broadband coverage and increasing broadband speeds, with the aim of shutting down 3G by 2021. As such, YTL Communications’ pure-4G YES network is well positioned to continue to attract subscribers and meet the country’s digital infrastructure needs.

In response to the Covid-19 pandemic, YTL Communications and FrogAsia collaborated with YTL Foundation, a not-for-profit foundation funded principally by the YTL Group, launched the Learn from Home Initiative in March 2020 to enable students to learn from home. Under the initiative, YTL Foundation provided free YES 4G SIM cards with 40GB of data to students registered in government schools and certain tertiary education institutions and also provided free mobile phones and YES 4G internet data plans to students from B40 families, thereby ensuring students have free access to sufficient data for online learning. Online learning resources and lessons were also provided by FrogAsia to facilitate learning from home. This initiative has been extended to 30 June 2021 as schools have again closed due to the third wave of the pandemic.

YTL Communications has recently launched its YES Kasi Up programme offering the most affordable data plans in the market. The programme includes a referral scheme that gives cash rewards to subscribers for being referral ambassadors for YES. A partnership with Shopee, the country’s largest e-commerce platform, rewards Shopee customers who are YES subscribers with free data for money spent on Shopee, making data even more affordable and accessible. By offering affordable data plans this segment is looking to increase its subscriber base bolstered by partnerships and collaborations.

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.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**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.

**B5. Audit Report of the preceding financial year ended 30 June 2020**

The Auditors' Report on the financial statements of the financial year ended 30 June 2020 did not contain any qualification.

**B6. Profit for the period**

	<b>Current Quarter 31.12.2020 RM'000</b>	<b>Current Year To Date 31.12.2020 RM'000</b>
<b>Profit before taxation is stated after charging/(crediting):</b>		
Amortisation of grants and contributions	(5,633)	(11,530)
Amortisation of intangible assets	16,739	33,446
Bad debts recovered	(448)	(1,077)
Depreciation of property, plant and equipment	253,576	508,495
Depreciation of right-of-use assets	32,598	65,424
Fair value gain on investments	(1,429)	(8,965)
Interest expense	231,778	470,879
Interest income	(1,885)	(3,191)
Loss on foreign exchange	3,713	7,076
Net loss/(gain) on disposal of property, plant and equipment	1,467	(592)
Property, plant and equipment written off	-	1,228
Provision of liabilities and charges	888	1,536
(Write back of)/Allowance for impairment of inventories	(1,004)	14,696
(Write back)/Amortisation of contract costs	(129)	1,927
Write back of impairment of receivables (net of reversals)	(54,085)	(38,464)
	=====	=====

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

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B7. Taxation**

	<b>Current Quarter 31.12.2020 RM'000</b>	<b>Current Year To Date 31.12.2020 RM'000</b>
In respect of current period		
- Income Tax	38,505	70,447
- Deferred Tax	12,079	11,118
	<u>50,584</u>	<u>81,565</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.

**B8. Corporate Proposals**

There were no corporate proposals announced by the Company which are not completed as at the date of this report save for the following:

- On 12 March 2020, the Company and Taser Power Pte. Ltd., entered into a put and call option agreement with Tuaspring Pte. Ltd. (“Tuaspring”) for the proposed acquisition of the power plant and associated assets of Tuaspring by YTL PowerSeraya Pte. Limited, from the receivers and managers of Tuaspring, for a total purchase consideration of SGD331,452,000 to be settled as to SGD230,000,000 in cash and SGD101,452,000 comprising ordinary shares and loan notes amounting to 7.54% of the post-acquisition equity in YTL Utilities (S) Pte. Limited, the immediate holding company of YTL PowerSeraya Pte. Limited (“Proposed Acquisition”).

Approval for the Proposed Acquisition from the Energy Market Authority of Singapore was received on 20 May 2020. Completion is now conditional inter alia on approval of the Public Utilities Board of Singapore and completion of financing arrangements which are currently pending.

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**INTERIM FINANCIAL REPORT**

**B9. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 December 2020 are as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Current</b>			
Bonds	-	300,000	300,000
Revolving credit	-	304,500	304,500
Term loans	-	5,985,305	5,985,305
	-	<u>6,589,805</u>	<u>6,589,805</u>
<b>Non-current</b>			
Bonds	-	16,193,990	16,193,990
Revolving credit	-	621,906	621,906
Term loans	-	4,295,403	4,295,403
	-	<u>21,111,299</u>	<u>21,111,299</u>
<b>Total borrowings</b>	<b>-</b>	<b><u>27,701,104</u></b>	<b><u>27,701,104</u></b>

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

	<b>Foreign currency '000</b>	<b>RM Equivalents '000</b>
US Dollar	<u>447,148</u>	<u>1,794,405</u>
Sterling Pound	<u>2,440,929</u>	<u>13,340,410</u>
Singapore Dollar	<u>1,943,243</u>	<u>5,898,521</u>

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,107.1 million, for which the Company has provided corporate guarantees to the financial institutions.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

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

(a) Derivative Financial Instruments

As at 31 December 2020, the Group's outstanding derivatives are as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value RM'000</b>
<b><u>Fuel oil Swaps</u></b>		
- Less than 1 year	967,006	95,280
- 1 year to 3 years	78,254	4,193
- More than 3 years	-	-
<b><u>Currency forwards</u></b>		
- Less than 1 year	1,089,621	(41,135)
- 1 year to 3 years	151,182	(5,259)
- More than 3 years	-	-

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas 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 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 counter parties with a view to limit the credit risk exposure of the Group.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 31 December 2020 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current quarter 31.12.2020 RM'000	Current year to date 31.12.2020 RM'000
Forward foreign currency exchange contracts	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	-	48
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved (unfavourably against)/ in favour of the Group	(720)	4,002
Total			(720)	4,050

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**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 as set out below:

	<b>Current Year Quarter 31.12.2020</b>	<b>Preceding Year Corresponding Quarter 31.12.2019</b>
Profit attributable to Owners of the Parent (RM'000)	154,553 =====	70,259 =====
Weighted average number of ordinary shares ('000)	7,923,555 =====	7,675,301 =====
Basic earnings per share (Sen)	1.95 =====	0.92 =====

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**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 as set out below:

	<b>Current Year Quarter 31.12.2020</b>	<b>Preceding Year Corresponding Quarter 31.12.2019</b>
Profit attributable to Owners of the Parent (RM'000)	154,553 =====	70,259 =====
<i>Weighted average number of ordinary shares – diluted ('000)</i>		
Weighted average number of ordinary shares – basic	7,923,555 =====	7,675,301 =====
Diluted earnings per share (Sen)	1.95 =====	0.92 =====

\* *Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM251.9 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM251.9 million resulting in a decrease in NA per share of RM0.01. 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: 25 February 2021