

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

Interim Financial Report
30 September 2023

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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 30 September 2023.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2022 RM'000	3 MONTHS ENDED 30.9.2023 RM'000	
Revenue	5,445,744	4,744,466	5,445,744	4,744,466
Cost of sales	(3,847,368)	(4,181,707)	(3,847,368)	(4,181,707)
Gross profit	1,598,376	562,759	1,598,376	562,759
Other operating income	30,494	72,075	30,494	72,075
Other operating expenses	(185,664)	(161,127)	(185,664)	(161,127)
Profit from operations	1,443,206	473,707	1,443,206	473,707
Finance costs	(486,868)	(331,901)	(486,868)	(331,901)
Share of profits of investments accounted for using the equity method	75,149	83,092	75,149	83,092
Profit before taxation	1,031,487	224,898	1,031,487	224,898
Taxation	(181,187)	(57,270)	(181,187)	(57,270)
Profit for the period	850,300	167,628	850,300	167,628
Attributable to:				
Owners of the parent	847,907	173,282	847,907	173,282
Non-controlling interests	2,393	(5,654)	2,393	(5,654)
	850,300	167,628	850,300	167,628
Earnings per share attributable to owners of the parent				
Basic (sen)	10.47	2.14	10.47	2.14
Diluted (sen)	10.27	2.13	10.27	2.13

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 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 30.9.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2022 RM'000	3 MONTHS ENDED	
			30.9.2023 RM'000	30.9.2022 RM'000
Profit for the period	850,300	167,628	850,300	167,628
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	3,277	(2,323)	3,277	(2,323)
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- subsidiaries	336,323	(528,743)	336,323	(528,743)
- associates and joint ventures	(2,400)	76,483	(2,400)	76,483
Currency translation differences:				
- subsidiaries	(249,534)	(95,829)	(249,534)	(95,829)
- associates and joint ventures	3,240	89,362	3,240	89,362
	-----	-----	-----	-----
Other comprehensive income/(loss) for the period, net of tax	90,906	(461,050)	90,906	(461,050)
	-----	-----	-----	-----
Total comprehensive income/(loss) for the period	<u>941,206</u>	<u>(293,422)</u>	<u>941,206</u>	<u>(293,422)</u>
Attributable to:				
Owners of the parent	938,177	(319,043)	938,177	(319,043)
Non-controlling interests	3,029	25,621	3,029	25,621
	-----	-----	-----	-----
	<u>941,206</u>	<u>(293,422)</u>	<u>941,206</u>	<u>(293,422)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 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
	30.9.2023	30.6.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,449,516	28,505,180
Investment properties	562,728	579,786
Intangible assets	9,361,109	9,410,685
Right-of-use assets	431,379	445,676
Post-employment benefit assets	59,710	64,314
Investments accounted for using the equity method	1,965,077	1,956,231
Investments	276,523	272,460
Derivative financial instruments	28,589	2,879
Receivables, deposits and prepayments	2,827,388	2,839,195
	-----	-----
	43,962,019	44,076,406
	-----	-----
Current assets		
Inventories	639,282	593,155
Investments	1,032,396	1,236,200
Receivables, deposits and prepayments	3,616,762	4,207,996
Derivative financial instruments	212,249	18,824
Cash and bank balances	8,242,948	8,999,425
	-----	-----
	13,743,637	15,055,600
	-----	-----
TOTAL ASSETS	57,705,656	59,132,006
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	10,673,462	9,733,170
	-----	-----
Equity attributable to owners of the parent	17,712,049	16,771,757
Non-controlling interests	(411,524)	(370,886)
	-----	-----
TOTAL EQUITY	17,300,525	16,400,871
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED	AUDITED
	As at	As at
	30.9.2023	30.6.2023
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	3,243,938	3,340,624
Borrowings	27,580,563	27,482,356
Lease liabilities	311,700	292,556
Post-employment benefit obligations	17,255	17,141
Grants and contributions	680,796	699,024
Derivative financial instruments	1,338	9,654
Payables	1,865,466	1,861,784
	-----	-----
	33,701,056	33,703,139
	-----	-----
Current liabilities		
Payables and accrued expenses	3,755,235	4,426,426
Derivative financial instruments	18,180	110,828
Post-employment benefit obligations	1,422	707
Taxation	553,435	379,038
Borrowings	2,296,801	4,001,945
Lease liabilities	79,002	109,052
	-----	-----
	6,704,075	9,027,996
	-----	-----
TOTAL LIABILITIES	40,405,131	42,731,135
	-----	-----
TOTAL EQUITY AND LIABILITIES	57,705,656	59,132,006
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.19	2.07
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	-----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 2023	7,038,587	130,792	(46,734)	9,649,112	16,771,757	(370,886)	16,400,871
Profit for the financial period	-	-	-	847,907	847,907	2,393	850,300
Other comprehensive income for the financial period	-	90,270	-	-	90,270	636	90,906
Total comprehensive income for the financial period	-	90,270	-	847,907	938,177	3,029	941,206
Dividends paid to non-controlling interests	-	-	-	-	-	(43,667)	(43,667)
Share option expenses	-	2,115	-	-	2,115	-	2,115
At 30 September 2023	7,038,587	223,177	(46,734)	10,497,019	17,712,049	(411,524)	17,300,525

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 2023 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 30 SEPTEMBER 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	-	-	-	173,282	173,282	(5,654)	167,628
Other comprehensive (loss)/income for the financial period	-	(492,325)	-	-	(492,325)	31,275	(461,050)
Total comprehensive (loss)/income for the financial period	-	(492,325)	-	173,282	(319,043)	25,621	(293,422)
Dividends paid to non-controlling interests	-	-	-	-	-	(42,290)	(42,290)
Share option expenses	-	2,708	-	-	2,708	-	2,708
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 30 September 2022	<u>7,038,587</u>	<u>(1,182,929)</u>	<u>(46,734)</u>	<u>8,189,362</u>	<u>13,998,286</u>	<u>(274,134)</u>	<u>13,724,152</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	3 MONTHS ENDED	
	30.9.2023	30.9.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	850,300	167,628
Adjustments for:		
Allowance for impairment of an associate	-	269
Allowance for impairment of inventories	907	325
Allowance for impairment of receivables (net of reversals)	46,355	20,874
Amortisation of contract costs	341	231
Amortisation of deferred income	(4,445)	(4,527)
Amortisation of grants and contributions	(1,454)	(1,357)
Amortisation of intangible assets	16,766	16,655
Bad debts recovered	(350)	(416)
Depreciation of property, plant and equipment	302,238	269,865
Depreciation of right-of-use assets	38,733	33,344
Fair value loss on investments	7,659	16,932
Interest expense	486,868	331,901
Interest income	(11,201)	(2,642)
Net gain on disposal of property, plant and equipment	(1,808)	(2,078)
Property, plant and equipment written off	1,223	1,387
Provision for post-employment benefit	9,248	12,036
Share of profits of investments accounted for using the equity method	(75,149)	(83,092)
Share option expenses	1,635	2,627
Taxation	181,187	57,270
Unrealised loss/(gain) on foreign exchange	7,738	(59,020)
	<u>1,856,791</u>	<u>778,212</u>
Changes in working capital:		
Inventories	(59,026)	1,205
Receivables, deposits and prepayments	731,605	505,992
Payables and accrued expenses	(998,733)	(347,495)
Cash flows from operations	<u>1,530,637</u>	<u>937,914</u>
Interest paid	(208,919)	(186,647)
Payment to post-employment benefit obligations	(8,886)	(99,704)
Tax paid	(4,588)	(4,313)
Net cash flows from operating activities	<u>1,308,244</u>	<u>647,250</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 2023 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 30 SEPTEMBER 2023 – Continued

	3 MONTHS ENDED	
	30.9.2023	30.9.2022
	RM'000	RM'000
Cash flows from investing activities		
Additional investments	(693)	-
Additional investment accounted for using the equity method	(10,000)	(269)
Dividends received	107,554	104,398
Grants received	6,158	8,050
Increase in deposits maturing more than 90 days	262,652	-
Increase in shareholder loans	-	(72,058)
Interest received	3,602	2,584
Maturities of income funds	202,000	-
Proceeds from disposal of property, plant and equipment	4,322	4,128
Purchase of intangible assets	(15,390)	(22,765)
Purchase of property, plant and equipment	(956,441)	(382,846)
Repayments from participation investment	79,046	-
Net cash flows used in investing activities	<u>(317,190)</u>	<u>(358,778)</u>
Cash flows from financing activities		
Dividends paid to non-controlling interests	(43,667)	(42,290)
Proceeds from borrowings	1,556,597	664,467
Repayment of borrowings	(2,877,704)	(254,622)
Repayment of lease liabilities	(45,733)	(36,996)
Repurchase of own shares	-	(1)
Net cash flows (used in)/from financing activities	<u>(1,410,507)</u>	<u>330,558</u>
Net changes in cash and cash equivalents	(419,453)	619,030
Effects of exchange rate changes	(167,108)	(80,318)
Cash and cash equivalents at beginning of the financial year	8,727,082	6,784,224
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	<u>8,140,521</u>	<u>7,322,936</u>

[Note a]

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

	RM'000	RM'000
Fixed deposits	6,678,302	5,134,833
Cash and bank balances	1,564,646	2,311,866
Bank overdrafts	(102,427)	(123,763)
(included within short term borrowing in Note B9)		
	<u>8,140,521</u>	<u>7,322,936</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 2023 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 2023.

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 2023.

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 2023.

The amendments to MFRSs which were effective for financial year beginning on or after 1 July 2023 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	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Power generation				
- Sale of electricity	3,678,788	3,374,107	3,678,788	3,374,107
- Sale of steam	74,930	63,868	74,930	63,868
- Others	42,577	25,609	42,577	25,609
	<u>3,796,295</u>	<u>3,463,584</u>	<u>3,796,295</u>	<u>3,463,584</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	1,214,346	1,049,545	1,214,346	1,049,545
Telecommunications				
- Sale of devices	8,588	9,561	8,588	9,561
- Telecommunication services	141,065	76,310	141,065	76,310
- Telecommunication infrastructure	34,767	27,028	34,767	27,028
	<u>184,420</u>	<u>112,899</u>	<u>184,420</u>	<u>112,899</u>
Investment holding activities				
- Investment income	162,311	37,691	162,311	37,691
- Management, operation and maintenance fees	29,339	16,653	29,339	16,653
- Others	59,033	64,094	59,033	64,094
	<u>250,683</u>	<u>118,438</u>	<u>250,683</u>	<u>118,438</u>
	<u>5,445,744</u>	<u>4,744,466</u>	<u>5,445,744</u>	<u>4,744,466</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 is no share was repurchased from the open market for the current financial quarter. As at 30 September 2023, the number of treasury shares held was 56,054,431 ordinary shares.

On 30 July 2023, 3.52% Retail Price Index Guaranteed Bonds of a subsidiary of the Company amounting to RM528.4 million (GBP90.5 million) was fully repaid.

On 24 August 2023, the Company issued four tranches of Islamic Medium Term Notes of RM200.0 million, RM300.0 million, RM400.0 million and RM500.0 million totalling RM1.4 billion bearing profit rates of 4.30% p.a., 4.45% p.a., 4.62% p.a. and 4.74% p.a., respectively under the Islamic Commercial Papers (“ICP”)/Islamic Medium Term Notes (“IMTN”) programme of up to RM7.5 billion (“ICP/IMTN Programme”). The proceeds of the issuance were partially utilised to repay the Company’s outstanding MTN of RM500.0 million. The remaining proceeds will be utilised for refinancing, to finance future project/investments and/or general corporate purposes.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

There was no dividend paid during the current financial quarter.

A8. Segment Information

The Group has four reportable segments as described below:

- a) Power generation
- b) Water and sewerage
- c) Telecommunications
- d) 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 30 September 2023:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	3,796,295	1,215,665	184,511	251,526	5,447,997
Inter-segment elimination	-	(1,319)	(91)	(843)	(2,253)
External Revenue	<u>3,796,295</u>	<u>1,214,346</u>	<u>184,420</u>	<u>250,683</u>	<u>5,445,744</u>
Segment profit/(loss) before tax	<u>1,025,142</u>	<u>(34,764)</u>	<u>(71,463)</u>	<u>112,572</u>	<u>1,031,487</u>
Finance costs					486,868
Depreciation and amortisation					352,179
EBITDA*					<u><u>1,870,534</u></u>

*Included is a fair value loss of RM7.7 million and allowance for impairment of RM47.3 million.

Segment information for the financial period ended 30 September 2022:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	3,463,584	1,050,796	113,082	119,775	4,747,237
Inter-segment elimination	-	(1,251)	(183)	(1,337)	(2,771)
External Revenue	<u>3,463,584</u>	<u>1,049,545</u>	<u>112,899</u>	<u>118,438</u>	<u>4,744,466</u>
Segment profit/(loss) before tax	<u>289,949</u>	<u>25,428</u>	<u>(83,983)</u>	<u>(6,496)</u>	<u>224,898</u>
Finance costs					331,901
Depreciation and amortisation					314,211
EBITDA*					<u><u>871,010</u></u>

*Included is a fair value loss of RM16.9 million and allowance for impairment of RM21.5 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 significant changes in the composition of the Group for the current financial period ended 30 September 2023, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations.

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 2023.

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 (that is, 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
30.9.2023				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	-	1,032,396	-	1,032,396
- Equity investments	-	72,182	-	72,182
Financial assets at fair value through other comprehensive income				
Derivatives used for hedging	46,893	51	157,397	204,341
Total assets	46,893	1,345,467	157,397	1,549,757
Liabilities				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	3	-	3
Derivatives used for hedging	-	19,515	-	19,515
Total liabilities	-	19,518	-	19,518

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:

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	30.9.2023 RM'000	30.9.2022 RM'000		30.9.2023 RM'000	30.9.2022 RM'000	
Revenue						
Power generation	3,796,295	3,463,584	+9.6	3,796,295	3,463,584	+9.6
Water & sewerage	1,214,346	1,049,545	+15.7	1,214,346	1,049,545	+15.7
Telecommunications	184,420	112,899	+63.3	184,420	112,899	+63.3
Investment holding activities	250,683	118,438	>100.0	250,683	118,438	>100.0
	<u>5,445,744</u>	<u>4,744,466</u>	+14.8	<u>5,445,744</u>	<u>4,744,466</u>	+14.8
Profit/(Loss) before taxation						
Power generation	1,025,142	289,949	>100.0	1,025,142	289,949	>100.0
Water & sewerage	(34,764)	25,428	->100.0	(34,764)	25,428	->100.0
Telecommunications	(71,463)	(83,983)	+14.9	(71,463)	(83,983)	+14.9
Investment holding activities	112,572	(6,496)	>100.0	112,572	(6,496)	>100.0
	<u>1,031,487</u>	<u>224,898</u>	>100.0	<u>1,031,487</u>	<u>224,898</u>	>100.0

INTERIM FINANCIAL REPORT

Notes – continued

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group's profit before taxation increased to RM1,031.5 million for the current financial quarter, 358.6% or RM806.6 million as compared to RM224.9 million recorded in the preceding year corresponding quarter.

The Group recorded higher revenue of RM5,445.7 million for the current financial quarter ended 30 September 2023, an increase of RM701.2 million or 14.8% as compared to RM4,744.5 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the current financial quarter ended 30 September 2023 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation

The increase in revenue and profit before taxation was mainly due to better margins and strengthening of Singapore Dollar against Ringgit Malaysia.

Water & sewerage

The segment recorded an increase in EBITDA for the current quarter. However, the loss before taxation was mainly due to higher interest accruals on index-link bonds of RM156.4 million (GBP26.8 million) in current quarter as compared to RM91.8million (GBP17.3 million) in the corresponding quarter. The regulated asset base value as at 30 September 2023 increased to GBP4,184.3 million from GBP4,125.0 million as at 30 June 2023.

The higher revenue was contributed primarily from continued improvement in trading and new contracts within the non-household retail market, differing weather conditions leading to changes in supply volume, and strengthening of Great Britain Pound against Ringgit Malaysia.

Telecommunications

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

Investment holding activities

The significant improvement in profit before taxation was mainly due to higher interest income and partially offset by lower foreign exchange gain.

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

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B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2023 RM'000	Preceding Quarter 30.6.2023 RM'000	Variance % +/-
Revenue	5,445,744	7,085,754	-23.1
Consolidated profit before taxation	1,031,487	1,358,286	-24.1
Consolidated profit after taxation	850,300	1,166,606	-27.1

The lower profit before taxation was primarily attributable to adjustments made on accrued technical service income and shareholder loan interest income following commercial operation of the Jordan oil shale-fired power generation project under joint venture entity (“Jordan Project”) and higher foreign exchange gain recorded in the preceding quarter.

The lower revenue as compared to the preceding quarter was primarily attributable to lower revenue recorded in Power generation segment.

B3. Prospects

The prospects of the respective business segments of the Group for the financial period ended 30 September 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 entered into an agreement to export and import 100 megawatts (MW) of electricity to Singapore via the newly upgraded interconnector between the two countries. 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 of Singapore and the Malaysian 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 addition, the lifting of the export ban by the Malaysian Government on renewable energy bodes well for the development of Malaysia’s green electricity market. YTL PowerSeraya is well-positioned to participate in the green energy import market to meet rising demand in Singapore.

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

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

Water & sewerage

Wessex Water submitted its business plan for 2025-30 (“PR24”) to the regulator in October 2023. Outside of the appointed business Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

Telecommunications

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 Digital National Berhad’s (“DNB”) 5G network. The Minister of Communications and Digital, in a recent statement announced that DNB’s 5G rollout had achieved 73% coverage of the population at the end of October 2023. It plans to achieve 80% coverage by end of 2023.

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 in Johor. 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. It 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.

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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 2023

The Auditors' Report on the financial statements of the financial year ended 30 June 2023 did not contain any qualification.

B6. Profit for the period

	Current Quarter 30.9.2023 RM'000	Current Year To Date 30.9.2023 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of inventories	907	907
Allowance for impairment of receivables (net of reversals)	46,355	46,355
Amortisation of contract costs	341	341
Amortisation of deferred income	(4,445)	(4,445)
Amortisation of grants and contributions	(1,454)	(1,454)
Amortisation of intangible assets	16,766	16,766
Bad debts recovered	(350)	(350)
Depreciation of property, plant and equipment	302,238	302,238
Depreciation of right-of-use assets	38,733	38,733
Fair value loss on investments	7,659	7,659
Interest expense	486,868	486,868
Interest income	(11,201)	(11,201)
Loss on foreign exchange	4,211	4,211
Net gain on disposal of property, plant and equipment	(1,808)	(1,808)
Property, plant and equipment written off	1,223	1,223
	=====	=====

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

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B7. Taxation

	Current Quarter 30.9.2023 RM'000	Current Year To Date 30.9.2023 RM'000
In respect of current period		
- Income Tax	180,375	180,375
- Deferred Tax	812	812
	<u>181,187</u>	<u>181,187</u>

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

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 30 September 2023 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdrafts	-	102,427	102,427
Hire purchase	34	-	34
Revolving credit	-	304,500	304,500
Term loans	-	1,888,538	1,888,538
Trade loans	-	1,302	1,302
	<u>34</u>	<u>2,296,767</u>	<u>2,296,801</u>
Non-current			
Bonds	-	20,058,256	20,058,256
Hire purchase	98	-	98
Revolving credit	-	999,240	999,240
Term loans	430,396	6,092,573	6,522,969
	<u>430,494</u>	<u>27,150,069</u>	<u>27,580,563</u>
Total borrowings	<u>430,528</u>	<u>29,446,836</u>	<u>29,877,364</u>

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

	Foreign currency '000	RM Equivalents '000
US Dollar	98,631	462,579
Sterling Pound	3,117,838	17,866,771
Singapore Dollar	1,069,529	3,675,757

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,243.8 million, for which the Company has provided corporate guarantees to the financial institutions.

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

(a) Derivative Financial Instruments

As at 30 September 2023, 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	1,771,490	183,252
- 1 year to 3 years	268,539	22,239
- More than 3 years	358	(3)
<u>Currency forwards</u>		
- Less than 1 year	1,744,471	10,817
- 1 year to 3 years	478,152	5,028
- More than 3 years	5,400	(13)

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.

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(b) Fair Value Changes of Financial Liabilities

The loss arising from fair value changes of financial liabilities for the current financial period ended 30 September 2023 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the loss	Fair value loss	
			Current quarter 30.9.2023 RM'000	Current year to date 30.9.2023 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 unfavourably against the Group	(3)	(3)
Total			(3)	(3)

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.

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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:

	Individual Quarter		Cumulative Quarter	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Profit attributable to Owners of the Parent (RM'000)	<u>847,907</u>	<u>173,282</u>	<u>847,907</u>	<u>173,282</u>
Weighted average number of ordinary shares ('000)	<u>8,102,154</u>	<u>8,102,155</u>	<u>8,102,154</u>	<u>8,102,155</u>
Basic earnings per share (Sen)	<u>10.47</u>	<u>2.14</u>	<u>10.47</u>	<u>2.14</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 as set out below:

	Individual Quarter		Cumulative Quarter	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Profit attributable to Owners of the Parent (RM'000)	<u>847,907</u>	<u>173,282</u>	<u>847,907</u>	<u>173,282</u>
<i>Weighted average number of ordinary shares – diluted ('000)</i>				
Weighted average number of ordinary shares - basic	8,102,154	8,102,155	8,102,154	8,102,155
Effect of unexercised ESOS	<u>153,543</u>	<u>46,607</u>	<u>153,543</u>	<u>46,607</u>
	<u>8,255,697</u>	<u>8,148,762</u>	<u>8,255,697</u>	<u>8,148,762</u>
Diluted earnings per share (Sen)	<u>10.27</u>	<u>2.13</u>	<u>10.27</u>	<u>2.13</u>

* Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM128.9 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM128.9 million resulting in a decrease in NA per share of RM0.04. 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 November 2023