

YTL CORPORATION BERHAD
Company No. 198201012898 (92647-H)
Incorporated in Malaysia

Interim Financial Report
31 December 2022

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YTL CORPORATION BERHAD (Company No. 198201012898 (92647-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	6,592,550	6,851,673	13,081,209	11,916,270
Cost of sales	<u>(5,333,579)</u>	<u>(6,061,379)</u>	<u>(10,783,410)</u>	<u>(10,113,345)</u>
Gross profit	1,258,971	790,294	2,297,799	1,802,925
Other operating income	7,651	73,915	172,625	150,334
Other operating expenses	<u>(539,465)</u>	<u>(442,869)</u>	<u>(1,171,391)</u>	<u>(944,753)</u>
Profit from operations	727,157	421,340	1,299,033	1,008,506
Finance costs	(561,938)	(385,828)	(1,057,090)	(765,138)
Share of results of associated companies and joint ventures	<u>121,359</u>	<u>106,388</u>	<u>248,623</u>	<u>223,956</u>
Profit before taxation	286,578	141,900	490,566	467,324
Taxation	<u>(89,930)</u>	<u>(78,624)</u>	<u>(170,288)</u>	<u>(226,043)</u>
Profit for the period	<u>196,648</u>	<u>63,276</u>	<u>320,278</u>	<u>241,281</u>
Attributable to:-				
Owners of the parent	96,908	2,037	133,529	107,259
Non-controlling interests	<u>99,740</u>	<u>61,239</u>	<u>186,749</u>	<u>134,022</u>
Profit for the period	<u>196,648</u>	<u>63,276</u>	<u>320,278</u>	<u>241,281</u>
Earnings per share				
Basic (Sen)	<u>0.88</u>	<u>0.02</u>	<u>1.22</u>	<u>0.98</u>
Diluted (Sen)	<u>0.88</u>	<u>0.02</u>	<u>1.21</u>	<u>0.98</u>

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.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
(Incorporated in Malaysia)

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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	196,648	63,276	320,278	241,281
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	14,132	(17,010)	1,818	(22,037)
- foreign currency translation	81,108	7,902	96,502	(72,423)
<i>Items that may be reclassified subsequently to income statement:-</i>				
- cash flow hedges	(82,451)	(231,815)	(534,711)	(244,769)
- share of other comprehensive loss of associated company	(18,951)	(1,332)	(37,258)	(9,508)
- foreign currency translation	112,449	44,689	145,676	(76,705)
Other comprehensive income/ (loss) for the period, net of tax	106,287	(197,566)	(327,973)	(425,442)
Total comprehensive income/ (loss) for the period	302,935	(134,290)	(7,695)	(184,161)
Attributable to :-				
Owners of the parent	157,751	(101,617)	(56,342)	(142,054)
Non-controlling interests	145,184	(32,673)	48,647	(42,107)
Total comprehensive income/ (loss) for the period	302,935	(134,290)	(7,695)	(184,161)

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 statement.

**YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31.12.2022 RM'000	Audited As at 30.06.2022 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	32,143,721	31,943,103
Right-of-use assets	1,504,138	1,552,929
Investment properties	1,974,182	1,976,595
Investment in associated companies and joint ventures	3,925,202	3,977,259
Investments	327,018	341,528
Development expenditure	830,491	806,353
Intangible assets	8,998,131	8,689,945
Post-employment benefit assets	255,789	174,802
Trade, other receivables and contract assets	2,960,164	2,768,325
Derivative financial instruments	364	20,607
	<u>52,919,200</u>	<u>52,251,446</u>
Current Assets		
Inventories	1,287,328	1,249,409
Property development costs	318,663	303,826
Trade, other receivables and contract assets	4,814,019	4,958,269
Derivative financial instruments	25,730	415,891
Income tax assets	214,836	163,352
Investments	1,263,808	1,500,569
Amount due from related parties	96,570	101,465
Fixed deposits	9,290,525	8,230,733
Cash and bank balances	2,217,679	3,167,824
	<u>19,529,158</u>	<u>20,091,338</u>
TOTAL ASSETS	<u><u>72,448,358</u></u>	<u><u>72,342,784</u></u>

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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited As at 31.12.2022 RM'000	Audited As at 30.06.2022 RM'000
EQUITY AND LIABILITIES		
Share capital	3,467,555	3,467,555
Other reserves	811,620	993,435
Retained profits	8,336,457	8,531,991
Less : Treasury shares, at cost	(54,452)	(54,452)
Equity Attributable to Owners of the Parent	<u>12,561,180</u>	<u>12,938,529</u>
Non-controlling interests	4,430,309	4,580,735
Total Equity	<u>16,991,489</u>	<u>17,519,264</u>
Non-current liabilities		
Long term payables and contract liabilities	1,610,506	1,550,576
Bonds & borrowings	35,073,428	35,344,897
Lease liabilities	1,166,845	1,245,678
Grants and contributions	621,589	620,655
Deferred tax liabilities	3,056,101	3,068,801
Post-employment benefit obligations	37,426	36,959
Provision for liabilities and charges	22,054	21,645
Derivative financial instruments	13,010	1,367
	<u>41,600,959</u>	<u>41,890,578</u>
Current Liabilities		
Trade, other payables and contract liabilities	5,152,033	5,439,814
Derivative financial instruments	137,880	21,740
Amount due to related parties	34,233	35,531
Bonds & borrowings	7,942,932	6,911,285
Lease liabilities	203,054	170,939
Income tax liabilities	239,042	206,041
Provision for liabilities and charges	146,736	147,592
	<u>13,855,910</u>	<u>12,932,942</u>
TOTAL LIABILITIES	55,456,869	54,823,520
TOTAL EQUITY AND LIABILITIES	<u>72,448,358</u>	<u>72,342,784</u>
Net Assets per share (RM)	<u>1.15</u>	<u>1.18</u>

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.

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

Group	Attributable to Owners of the Parent				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2022	3,467,555	8,531,991	(54,452)	993,435	12,938,529	4,580,735	17,519,264
Profit for the period	-	133,529	-	-	133,529	186,749	320,278
Other comprehensive loss	-	-	-	(189,871)	(189,871)	(138,102)	(327,973)
Total comprehensive income/(loss) for the period	-	133,529	-	(189,871)	(56,342)	48,647	(7,695)
Changes in composition of the Group	-	(140)	-	-	(140)	1,997	1,857
Dividends paid	-	(328,923)	-	-	(328,923)	(203,214)	(532,137)
Share option expenses	-	-	-	8,056	8,056	2,144	10,200
At 31 December 2022	<u>3,467,555</u>	<u>8,336,457</u>	<u>(54,452)</u>	<u>811,620</u>	<u>12,561,180</u>	<u>4,430,309</u>	<u>16,991,489</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.

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

Group	← Attributable to Owners of the Parent →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2021	3,467,555	8,482,982	(54,451)	892,399	12,788,485	3,549,476	16,337,961
Profit for the period	-	107,259	-	-	107,259	134,022	241,281
Other comprehensive loss	-	-	-	(249,313)	(249,313)	(176,129)	(425,442)
Total comprehensive (loss)/income for the period	-	107,259	-	(249,313)	(142,054)	(42,107)	(184,161)
Changes in composition of the Group	-	(460,480)	-	(62,055)	(522,535)	512,941	(9,594)
Conversion of ICULS	-	(14,812)	-	(27,023)	(41,835)	-	(41,835)
Dividends paid	-	(274,102)	-	.	(274,102)	(209,567)	(483,669)
Purchase of treasury shares	-	-	(1)	-	(1)	-	(1)
Reclassification upon disposal of investments designated at FVOCI	-	(111)	-	111	-	-	-
At 31 December 2021	<u>3,467,555</u>	<u>7,840,736</u>	<u>(54,452)</u>	<u>554,119</u>	<u>11,807,958</u>	<u>3,810,743</u>	<u>15,618,701</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.

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**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 before tax	490,566	467,324
Adjustment for :-		
Adjustment on fair value of investment properties	(223)	(1,991)
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	34,320	35,457
Depreciation of property, plant and equipment	807,762	829,185
Depreciation of right-of-use assets	99,572	86,833
Dividend income	(2,142)	(1,952)
Fair value changes of financial assets	1,462	2,938
Impairment loss	26,091	43,530
Interest expense	1,057,090	765,138
Interest income	(162,929)	(93,603)
Net gain on disposal of property, plant and equipment	(7,469)	(42,892)
Net loss on disposal of associated company	1,058	-
Property, plant and equipment written off	3,496	9,202
Provision for post-employment benefits	24,528	26,767
Share of results of associated companies and joint ventures	(248,623)	(223,956)
Share option expenses	9,703	-
Unrealised (gain)/loss on foreign exchange	(7,987)	5,120
Other non cash items	(1,025)	(7,074)
Operating profit before changes in working capital	2,113,871	1,894,423

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.

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**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
Changes in working capital:-		
Inventories	(20,795)	(5,935)
Property development costs	(3,181)	1,835
Receivables, deposits and prepayments	(37,032)	(838,364)
Payables and accrued expenses	(149,679)	298,097
Related parties balances	(7,838)	(7,722)
Cash generated from operations	1,895,346	1,342,334
Dividend received	282,597	246,335
Interest paid	(835,755)	(776,345)
Interest received	162,132	93,546
Payment to a retirement benefits scheme	(112,066)	(111,132)
Income tax paid	(161,645)	(143,034)
Net cash from operating activities	1,230,609	651,704
Cash flows from investing activities		
Acquisition of subsidiaries	(28)	(108,556)
Additional investment in associated company	(5,639)	(12,036)
Development expenditure incurred	(24,079)	(10,265)
Grants received in respect of infrastructure assets	12,058	12,710
Maturities of income funds	-	504,933
Proceeds from disposal of property, plant & equipment	19,984	32,132
Proceeds from disposal of associated company	9,694	-
Proceeds from disposal of investments	286,701	5,144
Proceeds from finance lease receivables	1,987	2,385
Purchase of intangible assets	(38,384)	(24,035)
Purchase of investment properties	-	(11,751)
Purchase of investments	(5,904)	(272,638)
Purchase of property, plant & equipment	(985,141)	(780,186)
Purchase of right-of-use assets	(21)	(2,930)
Shareholder loans	(97,254)	(168,585)
Net cash used in investing activities	(826,026)	(833,678)

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.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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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 financing activities		
Dividend paid	(328,923)	(274,102)
Dividend paid to non-controlling interests by subsidiaries	(203,214)	(209,567)
Repurchase of own shares by the company (at net)	-	(1)
Repurchase of subsidiaries' shares by subsidiaries	(1)	(1)
Proceeds from bonds	328,501	-
Proceeds from borrowings	2,031,289	717,845
Proceeds from issue of shares in subsidiary to non-controlling interests	1,887	-
Repayment of bonds	-	(1,715,790)
Repayment of borrowings	(1,941,410)	(429,720)
Repayment of lease liabilities	(145,048)	(108,219)
Net cash used in financing activities	<u>(256,919)</u>	<u>(2,019,555)</u>
Net changes in cash and cash equivalents	147,664	(2,201,529)
Effects of exchange rate changes	(46,393)	(59,933)
Cash and cash equivalents at beginning of the financial year	<u>11,296,665</u>	<u>13,652,596</u>
Cash and cash equivalents at end of the financial period	<u><u>11,397,936</u></u>	<u><u>11,391,134</u></u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	9,290,525	8,578,796
Cash and bank balances	2,217,679	2,815,413
Bank overdraft	<u>(110,268)</u>	<u>(3,075)</u>
	<u><u>11,397,936</u></u>	<u><u>11,391,134</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.

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Notes:-

Disclosure requirements pursuant to MFRS 134

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the 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 factors.

A3. Disaggregation of revenue

	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
Utilities				
Sale of electricity	3,299,132	3,763,465	6,673,052	5,735,692
Sale of clean water, treatment and disposal of waste water	1,039,431	1,025,975	2,088,976	2,067,737
Sale of steam	54,290	56,684	118,158	110,507
Broadband and telecommunications	135,279	156,625	243,755	426,524
Others	33,228	43,391	58,836	134,766
	<u>4,561,360</u>	<u>5,046,140</u>	<u>9,182,777</u>	<u>8,475,226</u>

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Notes: - continued

A3. Disaggregation of revenue – continued

	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
Cement and building materials industry				
Sale of cement and related products	1,169,087	1,068,751	2,278,609	1,772,614
Others	1,783	9,696	12,718	11,999
	<u>1,170,870</u>	<u>1,078,447</u>	<u>2,291,327</u>	<u>1,784,613</u>
Construction				
Construction contracts revenue	<u>317,327</u>	<u>405,064</u>	<u>592,116</u>	<u>645,967</u>
Hotel operations				
Hotel room and food and beverages	323,133	163,274	598,760	301,282
Others	4,900	2,953	8,999	6,484
	<u>328,033</u>	<u>166,227</u>	<u>607,759</u>	<u>307,766</u>
Property				
Sale of development properties	4,170	-	9,529	-
Sale of completed properties	33,226	24,419	86,846	59,814
Sale of lands	-	-	-	402,291
Others	4,830	3,880	9,293	7,586
	<u>42,226</u>	<u>28,299</u>	<u>105,668</u>	<u>469,691</u>
Information technology & e-commerce related business				
Media and advertising services	1,731	1,068	2,964	1,865
Others	13	15	103	24
	<u>1,744</u>	<u>1,083</u>	<u>3,067</u>	<u>1,889</u>
Management services & others				
Operation and maintenance services	24,978	26,337	47,192	51,025
Property manager fees	18,119	16,586	35,903	33,430
Food and beverages operations	4,790	1,528	8,402	2,338
Others	25,560	8,027	40,345	19,656
	<u>73,447</u>	<u>52,478</u>	<u>131,842</u>	<u>106,449</u>
Other sources				
Rental income	26,952	49,862	50,979	72,190
Interest income	69,807	23,296	113,975	50,707
Dividend income	784	777	1,699	1,772
	<u>97,543</u>	<u>73,935</u>	<u>166,653</u>	<u>124,669</u>
Total revenue	<u><u>6,592,550</u></u>	<u><u>6,851,673</u></u>	<u><u>13,081,209</u></u>	<u><u>11,916,270</u></u>

INTERIM FINANCIAL REPORT

Notes: - continued

A4. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual in nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A5. Changes in estimates of amounts reported

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial years.

A6. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter/period.

As at 31 December 2022, the number of treasury shares held was 58,675,950 ordinary shares.

A7. Dividend paid

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

	RM'000
In respect of the financial year ended 30 June 2022:-	
An interim dividend of 3.0 sen per ordinary share paid on 29 November 2022	<u>328,923</u>

A8. Segmental Information

The Group has six reportable segments as described below:

- (a) Construction
- (b) Cement and building materials industry
- (c) Property investment & development
- (d) Management services & others
- (e) Hotel operations
- (f) Utilities

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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Notes: - continued

A8. Segment Information - continued

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the financial period ended 31 December 2022 is as follows:-

	Construction RM'000	Cement and building materials industry RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	592,116	2,291,391	144,967	243,531	626,427	9,182,777	-	13,081,209
Inter-segment revenue	90,622	27,174	88,779	110,451	4,763	8,186	(329,975)	-
Total revenue	<u>682,738</u>	<u>2,318,565</u>	<u>233,746</u>	<u>353,982</u>	<u>631,190</u>	<u>9,190,963</u>	<u>(329,975)</u>	<u>13,081,209</u>
Segment results								
Profit from operations	<u>9,640</u>	<u>182,146</u>	<u>1,090</u>	<u>206,517</u>	<u>87,694</u>	<u>811,946</u>	<u>-</u>	<u>1,299,033</u>
Finance costs								<u>(1,057,090)</u>
Share of profit of associated companies & joint ventures								<u>241,943</u>
Profit before taxation								<u>248,623</u>
Finance costs								<u>1,057,090</u>
Depreciation and amortisation								<u>930,275</u>
EBITDA *								<u><u>2,477,931</u></u>

* Included a fair value loss of RM1.2 million and allowance for impairment loss of RM26.1 million.

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INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Information - continued

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the financial period ended 31 December 2021 is as follows:-

	Construction RM'000	Cement and building materials industry RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	645,967	1,784,613	523,794	172,660	314,010	8,475,226	-	11,916,270
Inter-segment revenue	25,909	4,941	86,877	82,695	4,447	8,807	(213,676)	-
Total revenue	<u>671,876</u>	<u>1,789,554</u>	<u>610,671</u>	<u>255,355</u>	<u>318,457</u>	<u>8,484,033</u>	<u>(213,676)</u>	<u>11,916,270</u>
Segment results								
Profit/(loss) from operations	<u>45,500</u>	<u>180,177</u>	<u>310,589</u>	<u>51,443</u>	<u>(32,178)</u>	<u>452,975</u>	<u>-</u>	<u>1,008,506</u>
Finance costs								<u>(765,138)</u>
Share of profit of associated companies & joint ventures								<u>243,368</u>
Profit before taxation								<u>223,956</u>
								<u>467,324</u>
Finance costs								<u>765,138</u>
Depreciation and amortisation								<u>945,872</u>
EBITDA *								<u><u>2,178,334</u></u>

* Included a fair value loss of RM0.9 million and allowance for impairment loss of RM43.5 million.

INTERIM FINANCIAL REPORT

Notes: - continued

A9. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 31 December 2022, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

A10. Changes in Contingent Liabilities or Contingent Assets

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

A11. Subsequent Events

There were no items, transactions or events of material or unusual in nature during the period from the end of the quarter under review to the date of this report.

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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 prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability 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	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2022				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	821	-	821
- Income/equity funds	-	1,263,808	-	1,263,808
- Equity investments	15,220	105,769	-	120,989
Derivative used for hedging	-	25,273	-	25,273
Financial assets at fair value through other comprehensive income	21,763	48	184,218	206,029
	<u>36,983</u>	<u>1,395,719</u>	<u>184,218</u>	<u>1,616,920</u>
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	681	-	681
Derivative used for hedging	-	150,209	-	150,209
	<u>-</u>	<u>150,890</u>	<u>-</u>	<u>150,890</u>

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YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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Notes: - continued

Disclosure requirements per Part A of Appendix 9B of the Bursa Securities Main Market Listing Requirements

B1. Review of Performance

	Individual Quarter		Variance	Cumulative Quarter		Variance
	31.12.2022	31.12.2021	%	31.12.2022	31.12.2021	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
Revenue						
Construction	317,327	405,064	-22%	592,116	645,967	-8%
Cement and building materials industry	1,170,913	1,078,447	9%	2,291,391	1,784,613	28%
Property investment & development	62,632	56,534	11%	144,967	523,794	-72%
Management services & others	142,295	99,332	43%	243,531	172,660	41%
Hotels	338,023	166,156	103%	626,427	314,010	99%
Utilities	4,561,360	5,046,140	-10%	9,182,777	8,475,226	8%
	<u>6,592,550</u>	<u>6,851,673</u>		<u>13,081,209</u>	<u>11,916,270</u>	
Profit/(loss) before taxation						
Construction	2,983	19,991	-85%	6,631	43,943	-85%
Cement and building materials industry	52,140	114,448	-54%	90,334	95,579	-5%
Property investment & development	(12,777)	(19,693)	35%	(26,311)	286,490	-109%
Management services & others	(19,271)	(79,593)	76%	(105,920)	(219,602)	52%
Hotels	49,092	(31,873)	254%	78,773	(44,731)	276%
Utilities	214,411	138,620	55%	447,059	305,645	46%
	<u>286,578</u>	<u>141,900</u>		<u>490,566</u>	<u>467,324</u>	

For the current financial quarter under review, the Group revenue was RM6,592.6 million as compared to RM6,851.7 million, recorded in the preceding year corresponding quarter. The Group profit before tax for the current financial quarter was RM286.6 million, an increase of RM144.7 million or 102.0% as compared to a profit of RM141.9 million recorded in the preceding year corresponding quarter.

For the current financial period under review, the Group revenue was at RM13,081.2 million as compared to RM11,916.3 million recorded in the preceding year corresponding period. The Group profit before taxation for the current financial period stood at RM490.6 million. This represents an increase of RM23.2 million or 5.0% as compared to a profit of RM467.3 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial quarter/period ended 31 December 2022 as compared to the preceding year corresponding quarter/period have been included in the following analysis:

Construction

For the current financial quarter/period under review, the decrease in revenue was principally due to the lower progress of construction works. The decrease in profit before tax was mainly due to higher construction costs and lower revenue.

INTERIM FINANCIAL REPORT

Notes – continued

Cement and building materials industry

For the current financial quarter under review, the revenue increased significantly mainly attributed to the increase in selling price in domestic and Singapore markets. Despite the higher revenue, the profit before tax reduced due to the increase in the cost of coal, electricity and maintenance.

For the current financial period under review, the increase in revenue was mainly contributed to an increase in selling price coupled with the impact of the COVID-19 pandemic in the preceding year corresponding period. The reduction in profit before tax was due to the increase in cost as mentioned above.

Property investment & development

For the current financial quarter under review, the increase in revenue was mainly due to sales recorded by the on-going projects in Kuala Lumpur and Ipoh coupled with sales recorded under the development project undertaken by YTL Property Holdings (UK) Ltd.. However, the loss before tax under this segment reduced mainly due to the absence of fair value adjustment recorded by YTL Hospitality REIT on unbilled lease income under the rental deferral program which ended on 30 June 2022.

For the current financial period under review, the revenue increase to RM145.0 million from RM121.5 million (after adjusting for the sale of lands of approximately RM402.3 million recorded in the preceding year corresponding period) was mainly due to the reasons mentioned above. Despite the increase in revenue, loss before tax was mainly due to higher interest costs on borrowings denominated in Australian Dollar recorded by YTL Hospitality REIT.

Management services & others

For the current financial quarter/period under review, the increase in revenue and reduction in loss before tax was mainly due to higher interest income recorded by YTL Power International Berhad (“YTL Power”).

Hotels

For the current financial quarter/period under review, the significant increase in revenue and profit before tax recorded was mainly attributable to better performances of our hotels and resorts following the easing of pandemic restrictions including the opening of the international border and resumption of economic activities.

Utilities

For the current financial quarter/period under review, the performance of the divisions within the Utilities segment is set out below:-

- For Power generation division, the decrease in revenue was primarily due to the lower pool prices whilst profit before tax increased mainly due to the higher retail prices.
- Water & sewerage division, loss before taxation was mainly due to interest accruals on index-linked 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.
- For Telecommunications division, lower revenue and higher loss before tax were recorded mainly due to lower project revenue.

INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2022 RM'000	Preceding Quarter 30.09.2022 RM'000	Variance % +/-
Revenue	6,592,550	6,488,659	2%
Profit before taxation	286,578	203,988	40%
Profit after taxation	196,648	123,630	59%

The higher profit before taxation as compared to the preceding quarter was principally attributable to the better performance in all business segments, except for Construction and Utilities segments.

B3. 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.

B4. Prospects

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

Construction

With the continuing recovery of the economy, management is proactively taking action to ensure construction work-in-progress is on track and to replenish its order book. This segment is expected to contribute positively based on its current order book.

Cement and building materials industry

The economy is expected to continue to strengthen, supported by steady increase in domestic economic activities.

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INTERIM FINANCIAL REPORT

Notes – continued

B4. Prospects - continued

Property investment & development

The property sector is expected to see a modest recovery in line with returning consumer confidence as most economic sectors rebound, supported by measures announced to foster recovery of the property market. Notwithstanding, the Group will continue to review the sales and marketing strategies to improve its visibility, propel sales momentum as well as undertake project launches.

Management services & others/Hotels

With the opening of the international border in jurisdictions where the Group operates, the hospitality industry is expected to stay relatively buoyant amidst risks of higher inflation, interest rate hikes and other economic factors.

The Group is continuously taking steps to proactively manage the business and take necessary actions to ensure that the Group's long-term business prospects remain stable. Notwithstanding the short-term challenges, the Group remains confident in the long-term prospects of the hospitality sector.

Utilities

▪ Power generation

YTL PowerSeraya Pte Limited ("YTL PowerSeraya"), a wholly-owned subsidiary of YTL Power 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.

INTERIM FINANCIAL REPORT

Notes – continued

B4. Prospects - continued

- 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 as these segments' operations are substantially essential in nature. The Group will continue to closely monitor the related risks and impact on all business segments.

B5. Profit Forecast

The Group did not issue any profit forecast or profit guarantee for the current financial quarter.

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Notes – continued

B6. Profit for the period

	Current Quarter 31.12.2022 RM'000	Year To Date 31.12.2022 RM'000
Profit for the period is stated after charging/(crediting):		
Adjustment on fair value of investment properties	(111)	(223)
Allowance for impairment of an associate	3	272
Allowance for impairment of receivables - net of reversal	21,603	45,269
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	16,940	34,320
Depreciation of property, plant and equipment	401,309	807,762
Depreciation of right-of-use assets	52,269	99,572
Dividend income	(1,220)	(2,142)
Fair value changes of financial assets	(5,452)	1,462
Interest expense	561,938	1,057,090
Interest income	(28,881)	(48,954)
Loss on foreign exchange	40,172	6,617
Net gain on disposal of property, plant and equipment	(4,868)	(7,469)
Net (gain)/loss on disposal of associated company	(629)	1,058
Property, plant and equipment written off	2,000	3,496
Write back of impairment of inventories	(19,788)	(19,463)
Write back of impairment of investments	(910)	-

Other than the above items, there was no other investment income, write-off of receivables, gain or loss on disposal of properties, impairment of assets and exceptional items for the current financial quarter and financial period.

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Notes – continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.12.2022 RM'000	Year To Date 31.12.2022 RM'000
In respect of current period		
- Income tax	97,314	183,759
- Deferred tax	(7,384)	(13,471)
	<u>89,930</u>	<u>170,288</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 the non-deductibility of certain expenses for tax purposes and partially offset by income subjected to different tax jurisdictions.

B8. Corporate Developments

Corporate Proposals Announced and Pending Completion

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

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Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 31 December 2022 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current			
Bankers' acceptances and trade facilities	-	3,956	3,956
Bank overdrafts	-	110,268	110,268
Hire purchase creditors	1,922	-	1,922
Revolving credit	-	3,048,108	3,048,108
Term loans	-	1,075,114	1,075,114
Bonds	-	3,703,564	3,703,564
	<u>1,922</u>	<u>7,941,010</u>	<u>7,942,932</u>
Non-current			
Hire purchase creditors	6,080	-	6,080
Revolving credit	215,294	2,333,413	2,548,707
Term loans	1,848,220	13,702,958	15,551,178
Bonds	-	16,967,463	16,967,463
	<u>2,069,594</u>	<u>33,003,834</u>	<u>35,073,428</u>
Total borrowings	<u>2,071,516</u>	<u>40,944,844</u>	<u>43,016,360</u>

Foreign currency borrowings included in the above are as follows :-

	Foreign Currency '000	RM Equivalents '000
US Dollar	642,816	2,836,747
Singapore Dollar	1,855,296	6,088,896
Sterling Pound	2,748,020	14,608,200
Japanese Yen	18,367,862	610,989
Thai Baht	1,964,138	251,038
Australia Dollar	490,691	1,466,528
Euro	236	1,110
		<u>25,863,508</u>

Save for the borrowings of RM590.4 million, US Dollar 220.0 million, Sterling Pound 79.4 million, Yen 8.0 billion and Euro 0.5 million by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

INTERIM FINANCIAL REPORT

Notes – continued

B10. Derivatives Financial Instruments, Fair Value Changes of Financial Liabilities

(a) Derivatives 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	Period 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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Notes: - continued

B11. Material litigation

There was no material litigation pending as at the date of the last 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 net profit attributable to owners of the parent for the financial quarter/period by the weighted average number of ordinary shares in issue during the financial quarter/period as set out below:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	6 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to owners of the parent (RM'000)	<u>96,908</u>	<u>2,037</u>	<u>133,529</u>	<u>107,259</u>
Weighted average number of ordinary shares ('000)	10,964,086	10,964,087	10,964,086	10,964,088
Basic earnings per share (sen)	<u>0.88</u>	<u>0.02</u>	<u>1.22</u>	<u>0.98</u>

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Notes: - continued

B13. Earnings Per Share - continued

(ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the net profit attributable to owners of the parent for the financial quarter/period by the weighted average number of ordinary shares in issue during the financial quarter/period as set out below:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2022	Preceding Year Corresponding Quarter 31.12.2021	6 Months Ended 31.12.2022 31.12.2021	
Profit attributable to owners of the parent (RM'000)	<u>96,908</u>	<u>2,037</u>	<u>133,529</u>	<u>107,259</u>
<i>Adjusted weighted average number of ordinary shares - diluted ('000)</i>				
Weighted average number of ordinary shares - basic	10,964,086	10,964,087	10,964,086	10,964,088
Effect of unexercised employees employees share option scheme	<u>38,788</u>	<u>-</u>	<u>38,788</u>	<u>-</u>
	<u>11,002,874</u>	<u>10,964,087</u>	<u>11,002,874</u>	<u>10,964,088</u>
Diluted earnings per share (sen)	<u>0.88</u>	<u>0.02</u>	<u>1.21</u>	<u>0.98</u>

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM159.6 million. Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM159.6 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: 23 February 2023