

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

Interim Financial Report
30 September 2022

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 30 September 2022.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2021 RM'000	3 MONTHS ENDED	
			30.9.2022 RM'000	30.9.2021 RM'000
Revenue	4,744,466	3,513,471	4,744,466	3,513,471
Cost of sales	(4,181,707)	(3,083,177)	(4,181,707)	(3,083,177)
Gross profit	562,759	430,294	562,759	430,294
Other operating income	72,075	16,097	72,075	16,097
Other operating expenses	(161,127)	(193,407)	(161,127)	(193,407)
Profit from operations	473,707	252,984	473,707	252,984
Finance costs	(331,901)	(240,088)	(331,901)	(240,088)
Share of profits of investments accounted for using the equity method	83,092	87,453	83,092	87,453
Profit before taxation	224,898	100,349	224,898	100,349
Taxation	(57,270)	(49,017)	(57,270)	(49,017)
Profit for the period	167,628	51,332	167,628	51,332
Attributable to:				
Owners of the parent	173,282	35,395	173,282	35,395
Non-controlling interests	(5,654)	15,937	(5,654)	15,937
	167,628	51,332	167,628	51,332
Earnings per share attributable to owners of the parent				
Basic (sen)	2.14	0.44	2.14	0.44
Diluted (sen)	2.13	0.44	2.13	0.44

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 POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2021 RM'000	3 MONTHS ENDED 30.9.2022 RM'000	
Profit for the period	167,628	51,332	167,628	51,332
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	(2,323)	1,779	(2,323)	1,779
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- Subsidiaries	(528,743)	(12,954)	(528,743)	(12,954)
- Associates and joint ventures	76,483	-	76,483	-
Currency translation differences:				
- Subsidiaries	(95,829)	(183,004)	(95,829)	(183,004)
- Associates and joint ventures	89,362	(7,264)	89,362	(7,264)
Other comprehensive loss for the period, net of tax	(461,050)	(201,443)	(461,050)	(201,443)
Total comprehensive loss for the period	(293,422)	(150,111)	(293,422)	(150,111)
Attributable to:				
Owners of the parent	(319,043)	(170,635)	(319,043)	(170,635)
Non-controlling interests	25,621	20,524	25,621	20,524
	(293,422)	(150,111)	(293,422)	(150,111)

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	30.9.2022	30.6.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,059,501	24,556,399
Investment properties	508,172	527,944
Intangible assets	8,901,257	8,732,299
Right-of-use assets	446,445	459,555
Post-employment benefit assets	250,546	174,802
Investments accounted for using the equity method	1,830,522	1,769,644
Investments	297,726	294,726
Derivative financial instruments	12,116	20,607
Receivables, deposits and prepayments	2,711,634	2,454,912
	-----	-----
	39,017,919	38,990,888
	-----	-----
Current assets		
Inventories	488,702	493,056
Investments	745,817	740,824
Receivables, deposits and prepayments	2,844,447	3,480,542
Derivative financial instruments	113,947	415,891
Cash and bank balances	7,446,699	6,880,016
	-----	-----
	11,639,612	12,010,329
	-----	-----
TOTAL ASSETS	50,657,531	51,001,217
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	6,959,699	7,276,035
	-----	-----
Equity attributable to owners of the parent	13,998,286	14,314,622
Non-controlling interests	(274,134)	(257,465)
	-----	-----
TOTAL EQUITY	13,724,152	14,057,157
	-----	-----

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

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED	AUDITED
	As at	As at
	30.9.2022	30.6.2022
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	2,886,209	2,971,862
Borrowings	24,989,200	25,259,797
Lease liabilities	309,925	310,750
Post-employment benefit obligations	16,284	15,115
Grants and contributions	604,257	620,655
Derivative financial instruments	16,692	1,367
Payables	1,538,566	1,560,105
	-----	-----
	30,361,133	30,739,651
	-----	-----
Current liabilities		
Payables and accrued expenses	3,162,858	3,500,934
Derivative financial instruments	173,421	21,740
Post-employment benefit obligations	1,891	1,349
Taxation	160,157	107,504
Borrowings	2,990,149	2,477,041
Lease liabilities	83,770	95,841
	-----	-----
	6,572,246	6,204,409
	-----	-----
TOTAL LIABILITIES	36,933,379	36,944,060
	-----	-----
TOTAL EQUITY AND LIABILITIES	50,657,531	51,001,217
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.73	1.77
	=====	=====

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

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**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 2022 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 2021**

	-----Attributable to Owners of the Parent-----					Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 1 July 2021	7,038,587	(739,558)	(46,732)	6,765,345	13,017,642	(110,217)	12,907,425
Profit for the financial period	-	-	-	35,395	35,395	15,937	51,332
Other comprehensive (loss)/income for the financial period	-	(206,030)	-	-	(206,030)	4,587	(201,443)
Total comprehensive (loss)/income for the financial period	-	(206,030)	-	35,395	(170,635)	20,524	(150,111)
Dividends paid to non-controlling interests	-	-	-	-	-	(31,111)	(31,111)
Share repurchased	-	-	(1)	-	(1)	-	(1)
At 30 September 2021	<u>7,038,587</u>	<u>(945,588)</u>	<u>(46,733)</u>	<u>6,800,740</u>	<u>12,847,006</u>	<u>(120,804)</u>	<u>12,726,202</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 30 SEPTEMBER 2022**

	3 MONTHS ENDED	
	30.9.2022	30.9.2021
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	167,628	51,332
Adjustments for:		
Allowance for impairment of an associate	269	-
Allowance for impairment of inventories	325	439
Allowance for impairment of receivables (net of reversals)	20,874	29,194
Amortisation of contract costs	231	475
Amortisation of deferred income	(4,527)	-
Amortisation of grants and contributions	(1,357)	(3,273)
Amortisation of intangible assets	16,655	18,290
Bad debts recovered	(416)	(394)
Depreciation of property, plant and equipment	269,865	278,573
Depreciation of right-of-use assets	33,344	30,426
Fair value loss on investments	16,932	10,036
Interest expense	331,901	240,088
Interest income	(2,642)	(1,032)
Net gain on disposal of property, plant and equipment	(2,078)	(6,456)
Property, plant and equipment written off	1,387	4,080
Provision for post-employment benefit	12,036	9,332
Share of profits of investments accounted for using the equity method	(83,092)	(87,453)
Share option expenses	2,627	-
Taxation	57,270	49,017
Unrealised (gain)/loss on foreign exchange	(59,020)	3,619
Other non-cash items	-	(24)
	<u>778,212</u>	<u>626,269</u>
Changes in working capital:		
Inventories	1,205	(4,951)
Receivables, deposits and prepayments	505,992	(187,620)
Payables and accrued expenses	(347,495)	(27,517)
Cash flows from operations	<u>937,914</u>	<u>406,181</u>
Interest paid	(186,647)	(214,033)
Payment to post-employment benefit obligations	(99,704)	(92,871)
Tax paid	(4,313)	(4,807)
Net cash flows from operating activities	<u><u>647,250</u></u>	<u><u>94,470</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.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 - Continued**

	3 MONTHS ENDED	
	30.9.2022	30.9.2021
	RM'000	RM'000
Cash flows from investing activities		
Additional investment accounted for using the equity method	(269)	-
Dividends received	104,398	76,628
Grants received	8,050	3,359
Increase in shareholder loan	(72,058)	(138,536)
Interest received	2,584	1,708
Proceeds from disposal of property, plant and equipment	4,128	8,453
Purchase of intangible assets	(22,765)	(11,248)
Purchase of property, plant and equipment	(382,846)	(329,399)
Net cash flows used in investing activities	<u>(358,778)</u>	<u>(389,035)</u>
Cash flows from financing activities		
Dividends paid to non-controlling interests	(42,290)	(31,111)
Proceeds from borrowings	664,467	603,791
Repayment of borrowings	(254,622)	(2,347,904)
Repayment of lease liabilities	(36,996)	(36,016)
Repurchase of own shares	(1)	(1)
Net cash flows from/(used in) financing activities	<u>330,558</u>	<u>(1,811,241)</u>
Net changes in cash and cash equivalents	619,030	(2,105,806)
Effects of exchange rate changes	(80,318)	(64,188)
Cash and cash equivalents at beginning of the financial year	6,784,224	8,566,581
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	<u>7,322,936</u>	<u>6,396,587</u>

[Note a]

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

	RM'000	RM'000
Fixed deposits	5,134,833	5,109,109
Cash and bank balances	2,311,866	1,299,126
Bank overdrafts	(123,763)	(11,648)
(included within short term borrowing in Note B9)	<u>7,322,936</u>	<u>6,396,587</u>

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

INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

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

A1. Accounting Policies and Methods of Computation

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

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

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

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

A2. Seasonality or Cyclicity of Operations

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

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INTERIM FINANCIAL REPORT

Notes – continued

A3. Disaggregation of Revenue

	Individual Quarter		Cumulative Quarter	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Power generation				
- Sale of electricity	3,374,107	1,972,416	3,374,107	1,972,416
- Sale of steam	63,868	53,823	63,868	53,823
- Others	25,609	91,375	25,609	91,375
	<u>3,463,584</u>	<u>2,117,614</u>	<u>3,463,584</u>	<u>2,117,614</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	1,049,545	1,042,423	1,049,545	1,042,423
Telecommunications business				
- Sale of devices	9,561	140,391	9,561	140,391
- Telecommunications services	76,310	112,532	76,310	112,532
- Telecommunications infrastructure business	27,028	20,694	27,028	20,694
	<u>112,899</u>	<u>273,617</u>	<u>112,899</u>	<u>273,617</u>
Investment holding activities				
- Investment income	37,691	20,854	37,691	20,854
- Management, operation and maintenance fees	16,653	16,126	16,653	16,126
- Others	64,094	42,837	64,094	42,837
	<u>118,438</u>	<u>79,817</u>	<u>118,438</u>	<u>79,817</u>
	<u>4,744,466</u>	<u>3,513,471</u>	<u>4,744,466</u>	<u>3,513,471</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

A total of 1,000 ordinary shares were repurchased from the open market for a total consideration of RM772 for the current financial quarter. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2022, the number of treasury shares held was 56,054,431 ordinary shares.

On 5 September 2022, the Company issued borrowing amounted to RM225.0 million Medium Term Note (“MTN”) pursuant to a MTN programme of up to RM5.0 billion.

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 business
- d) Investment holding activities

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

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

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

Notes – continued

Segment information for the financial period ended 30 September 2022:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications business 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					<u>314,211</u>
EBITDA*					<u>871,010</u>

*Included is a fair value loss of RM16.9 million and allowance for impairment of RM21.5 million.

Segment information for the financial period ended 30 September 2021:

	Power generation RM'000	Water & sewerage RM'000	Tele- communications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	2,117,614	1,042,423	273,725	81,010	3,514,772
Inter-segment elimination	-	-	(108)	(1,193)	(1,301)
External Revenue	<u>2,117,614</u>	<u>1,042,423</u>	<u>273,617</u>	<u>79,817</u>	<u>3,513,471</u>
Segment profit/(loss) before tax	<u>69,762</u>	<u>130,093</u>	<u>(34,169)</u>	<u>(65,337)</u>	<u>100,349</u>
Finance costs					240,088
Depreciation and amortisation					<u>324,491</u>
EBITDA*					<u>664,928</u>

*Included is a fair value loss of RM10.0 million and allowance for impairment of RM29.6 million.

A9. Events After the Interim Period

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

INTERIM FINANCIAL REPORT

Notes – continued

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 September 2022, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 5 July 2022, Flipper Limited (a wholly-owned subsidiary of Wessex Concierge Limited) was dissolved following its deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom and ceased to be the indirect subsidiary of the Company.
- (ii) On 6 September 2022, YTL Power Trading (Labuan) Ltd (a wholly-owned subsidiary of the Company) was dissolved pursuant to Section 131A of the Labuan Companies Act 1990 and ceased to be the subsidiary of the Company.

A11. Changes in Contingent Liabilities

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

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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
30.9.2022				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	818	-	818
- Income funds	-	745,817	-	745,817
- Equity investments	-	106,609	-	106,609
Financial assets at fair value through other comprehensive income	41,642	50	149,425	191,117
Derivatives used for hedging	4,556	120,689	-	125,245
Total assets	46,198	973,983	149,425	1,169,606
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	672	-	672
Derivatives used for hedging	6,304	183,137	-	189,441
Total liabilities	6,304	183,809	-	190,113

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YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**

B1. Review of the Results

The comparison of the results is tabulated below:

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	30.9.2022 RM'000	30.9.2021 RM'000		30.9.2022 RM'000	30.9.2021 RM'000	
Revenue						
Power generation	3,463,584	2,117,614	+63.6%	3,463,584	2,117,614	+63.6%
Water & sewerage	1,049,545	1,042,423	+0.7%	1,049,545	1,042,423	+0.7%
Telecommunications business	112,899	273,617	-58.7%	112,899	273,617	-58.7%
Investment holding activities	118,438	79,817	+48.4%	118,438	79,817	+48.4%
	<u>4,744,466</u>	<u>3,513,471</u>	+35.0%	<u>4,744,466</u>	<u>3,513,471</u>	+35.0%
Profit/(Loss) before taxation						
Power generation	289,949	69,762	>100.0%	289,949	69,762	>100.0%
Water & sewerage	25,428	130,093	-80.5%	25,428	130,093	-80.5%
Telecommunications business	(83,983)	(34,169)	->100.0%	(83,983)	(34,169)	->100.0%
Investment holding activities	(6,496)	(65,337)	+90.1%	(6,496)	(65,337)	+90.1%
	<u>224,898</u>	<u>100,349</u>	>100.0%	<u>224,898</u>	<u>100,349</u>	>100.0%

INTERIM FINANCIAL REPORT

Notes – continued

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group's profit before taxation for the current financial quarter increased by RM124.6 million or 124.2% to RM224.9 million as compared to RM100.3 million recorded in the preceding year corresponding quarter.

The Group recorded higher revenue of RM4,744.5 million for the current financial quarter ended 30 September 2022, an increase of RM1,231.0 million or 35.0% as compared to RM3,513.5 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the current financial quarter ended 30 September 2022 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation

Profit before taxation increased mainly due to the higher retail prices.

The higher revenue was primarily due to the higher pool and retail prices.

Water & sewerage

The lower profit before taxation was mainly due to the effect of inflationary pressures both on base costs (energy in particular) and on index linked bond interest (non-cash impact). Base cost increases will be subsequently compensated in future year tariff revenues. Higher inflation in the UK will also lead to an increase in the Regulatory Asset Base ("RAB"), in turn creating additional gearing headroom and enhancing the capacity for dividend distribution.

Revenue approximated that of the preceding year corresponding quarter.

Telecommunications business

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

Investment holding activities

The lower loss before taxation was mainly due to the gain on foreign exchange.

The increase in revenue was mainly due to higher sales recorded from the Brabazon project and higher interest income.

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2022 RM'000	Preceding Quarter 30.6.2022 RM'000	Variance % +/-
Revenue	4,744,466	4,536,549	+4.6%
Consolidated profit before taxation	224,898	163,344	+37.7%
Consolidated profit after taxation	167,628	119,622	+40.1%

The higher profit before taxation as compared to the preceding quarter was primarily attributable to the better performance in the Power generation segment.

INTERIM FINANCIAL REPORT

Notes – continued

B3. Prospects

Power generation

In October 2021, YTL PowerSeraya Pte Limited was appointed as the electricity importer for a two-year trial to import 100MW of electricity from Malaysia via existing interconnectors, following a Request for Proposal issued in March 2021 by the Energy Market Authority of Singapore (“EMA”). As the appointed electricity importer, YTL PowerSeraya will work with the EMA to refine all technical settings and regulatory arrangements under the Singapore’s Electricity Import Framework during the two-year trial, and import will commence upon the receipt of the requisite approvals from both countries.

Global fossil fuel shortages worsened by the Russia-Ukraine War has led to oil and spot gas price hikes. This has translated to higher electricity prices. As the majority of the electricity customers have entered into fixed-price electricity contracts, gas costs have been hedged to ensure cost stability.

In November 2022, YTL PowerSeraya together with its consortium partners won a tender from the Land Transport Authority (“LTA”) to build 1,200 electric vehicle (“EV”) charging points at Housing & Development Board (“HDB”) 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 completed the acquisition of the Kulai Young Estate in Johor in January 2022 and intends to develop a large portion of the land into a 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.

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. Despite the inflationary effect on cost pressures and index-linked debt, high inflation continues to give a better prospect to Wessex Water as both its revenues and Regulatory Asset Base (“RAB”) value are indexed to the UK’s Consumer Prices Index including owner occupiers’ housing costs (“CPIH”) inflation index. Projected revenue next year is forecast to rise by around RM257.1 million (GBP50.0 million) and the RAB value by around RM1,388.6 million (GBP270.0 million) due to inflation. By the end of the Price Review period on 31 March 2025, Wessex Water will have delivered RM6.7 billion (GBP1.3 billion) of capital investment with a resulting RAB value in excess of RM21.1 billion (GBP4.1 billion). In addition, Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

INTERIM FINANCIAL REPORT

Notes – continued

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 plans to have 5G cover 40 per cent of the population by the end of 2022 and 80 per cent coverage by 2024.

The 5G roll-out is in line with Jalanan Digital Negara ("JENDELA"), the plan to upgrade Malaysia's digital communications infrastructure formulated by the Government and the Malaysian Communications and Multimedia Commission launched in August 2020. Initial phases of the plan focused on expanding 4G mobile broadband coverage and increasing broadband speeds, with the shutting down of 3G by the end of 2021. As such, YTL Communications' pure-4G YES network, coupled with its First-to-5G access, is well positioned to continue to attract subscribers and meet the country's digital infrastructure needs. YTL Communications has recently been awarded part of the JENDELA Phase 1 (Part 2) project for the design, supply, installation, testing, commissioning, operation of the network service equipment and services related to the provisioning of public cellular services.

In response to the COVID-19 pandemic, YTL Communications and FrogAsia in collaboration with YTL Foundation, a charitable 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, among others, free YES SIM cards with 40GB of data to students registered in government schools and partner tertiary education institutions. The data plans provided under the initiative were extended to 31 August 2022 to help ease the transition back to physical classes as schools adopted hybrid teaching models. The initiative was also extended to cater for the 2021/2022 intake of university and polytechnic students.

YTL Communications again collaborated with YTL Foundation to offer free smartphones and 12-month data plans to households and individuals under the Jaringan Prihatin programme. The programme, launched on 5 May 2021 by the Government of Malaysia, provides subsidies of RM300 to B40 households and RM180 to B40 individuals for device and data plans offered by participating service providers. Registrations for the programme closed on 30 September 2021 but YTL Communications will continue to provide the data plans under the programme until September 2022.

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

INTERIM FINANCIAL REPORT

Notes – continued

Investment holding activities

The Group is also 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 and Chinese data center developer, GDS Holdings Limited, one of the largest data center companies globally, to anchor and jointly develop the initial phases of this world-class green facility. The campus will incorporate innovative and sustainable solutions in design and operations to achieve high-energy efficiency and is expected to serve a growing demand in the region for eco-friendly, cost-efficient data center solutions from hyperscalers and co-location customers alike.

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

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

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

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

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

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

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INTERIM FINANCIAL REPORT

Notes – continued

B6. Profit for the period

	Current Quarter 30.9.2022 RM'000	Current Year To Date 30.9.2022 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of an associate	269	269
Allowance for impairment of inventories	325	325
Allowance for impairment of receivables (net of reversals)	20,874	20,874
Amortisation of contract costs	231	231
Amortisation of deferred income	(4,527)	(4,527)
Amortisation of grants and contributions	(1,357)	(1,357)
Amortisation of intangible assets	16,655	16,655
Bad debts recovered	(416)	(416)
Depreciation of property, plant and equipment	269,865	269,865
Depreciation of right-of-use assets	33,344	33,344
Fair value loss on investments	16,932	16,932
Gain on foreign exchange	(60,482)	(60,482)
Interest expense	331,901	331,901
Interest income	(2,642)	(2,642)
Net gain on disposal of property, plant and equipment	(2,078)	(2,078)
Property, plant and equipment written off	1,387	1,387
	<u>=====</u>	<u>=====</u>

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

B7. Taxation

	Current Quarter 30.9.2022 RM'000	Current Year To Date 30.9.2022 RM'000
In respect of current period		
- Income Tax	54,338	54,338
- Deferred Tax	2,932	2,932
	<u>57,270</u>	<u>57,270</u>

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

INTERIM FINANCIAL REPORT

Notes – continued

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 2022 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdrafts	-	123,763	123,763
Bonds	-	1,500,000	1,500,000
Hire purchase	33	-	33
Revolving credit	-	1,299,826	1,299,826
Term loans	-	40,649	40,649
Trade loans	-	25,878	25,878
	<u>33</u>	<u>2,990,116</u>	<u>2,990,149</u>
Non- current			
Bonds	-	14,083,988	14,083,988
Hire purchase	132	-	132
Revolving credit	-	807,693	807,693
Term loans	-	10,097,387	10,097,387
	<u>132</u>	<u>24,989,068</u>	<u>24,989,200</u>
Total borrowings	<u>165</u>	<u>27,979,184</u>	<u>27,979,349</u>

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

	Foreign currency '000	RM Equivalents '000
US Dollar	<u>324,296</u>	<u>1,505,058</u>
Sterling Pound	<u>2,614,893</u>	<u>13,448,133</u>
Singapore Dollar	<u>2,124,425</u>	<u>6,875,700</u>

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,258.6 million, for which the Company has provided corporate guarantees to the financial institutions.

INTERIM FINANCIAL REPORT

Notes – continued

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

(a) Derivative Financial Instruments

As at 30 September 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	1,717,241	(133,789)
- 1 year to 3 years	158,905	(16,358)
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,830,591	76,063
- 1 year to 3 years	414,699	11,782
- More than 3 years	-	-
<u>Electricity futures</u>		
- Less than 1 year	10,400	(1,748)
- 1 year to 3 years	-	-
- 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 in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

The Group entered into electricity futures to hedge highly probable forecast sale of electricity that are expected to occur at various dates in the future. The electricity futures 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 arising from fair value changes of financial liabilities for the current financial period ended 30 September 2022 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain	Fair value gain	
			Current quarter 30.9.2022 RM'000	Current year to date 30.9.2022 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	15
Total			15	15

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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:

	Individual Quarter		Cumulative Quarter	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Profit attributable to Owners of the Parent (RM'000)	<u>173,282</u>	<u>35,395</u>	<u>173,282</u>	<u>35,395</u>
Weighted average number of ordinary shares ('000)	<u>8,102,155</u>	<u>8,102,157</u>	<u>8,102,155</u>	<u>8,102,157</u>
Basic earnings per share (Sen)	<u>2.14</u>	<u>0.44</u>	<u>2.14</u>	<u>0.44</u>

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

(Incorporated in Malaysia)

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:

	Individual Quarter		Cumulative Quarter	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Profit attributable to Owners of the Parent (RM'000)	<u>173,282</u>	<u>35,395</u>	<u>173,282</u>	<u>35,395</u>
<i>Weighted average number of ordinary shares – diluted ('000)</i>				
Weighted average number of ordinary shares - basic	8,102,155	8,102,157	8,102,155	8,102,157
Effect of unexercised ESOS	<u>46,607</u>	<u>-</u>	<u>46,607</u>	<u>-</u>
	<u>8,148,762</u>	<u>8,102,157</u>	<u>8,148,762</u>	<u>8,102,157</u>
Diluted earnings per share (Sen)	<u>2.13</u>	<u>0.44</u>	<u>2.13</u>	<u>0.44</u>

* Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM131.4 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM131.4 million resulting in a decrease in NA per share of RM0.03. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board

HO SAY KENG

Secretary

Kuala Lumpur

Dated: 24 November 2022