

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

Interim Financial Report
31 March 2021

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 31 March 2021.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	9 MONTHS ENDED	
	YEAR	YEAR	31.3.2021	31.3.2020
	QUARTER	CORRESPONDING	RM'000	RM'000
	31.3.2021	QUARTER	31.3.2021	31.3.2020
	RM'000	31.3.2020	RM'000	RM'000
		RM'000		RM'000
Revenue	2,636,477	2,590,473	7,755,859	8,345,607
Cost of sales	(2,213,712)	(2,160,584)	(6,583,063)	(7,084,744)
Gross profit	422,765	429,889	1,172,796	1,260,863
Other operating income	46,032	8,913	103,228	70,050
Other operating expenses	(148,369)	(163,420)	(347,066)	(476,271)
Profit from operations	320,428	275,382	928,958	854,642
Finance costs	(239,551)	(266,262)	(710,430)	(836,181)
Share of profits of investments accounted for using the equity method	87,697	106,525	265,483	307,327
Profit before taxation	168,574	115,645	484,011	325,788
Taxation	(38,895)	(34,594)	(120,460)	(105,043)
Profit for the period	129,679	81,051	363,551	220,745
Attributable to:				
Owners of the parent	112,194	70,800	343,630	208,416
Non-controlling interests	17,485	10,251	19,921	12,329
	129,679	81,051	363,551	220,745
Earnings per share attributable to owners of the parent				
Basic (sen)	1.38	0.92	4.35	2.72
Diluted (sen)	1.38	0.92	4.35	2.72

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2020 RM'000	9 MONTHS ENDED	
			31.3.2021 RM'000	31.3.2020 RM'000
Profit for the period	129,679	81,051	363,551	220,745
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	(626)	(21,063)	(5,907)	(20,191)
<i>Items that may be reclassified subsequently to income statement:</i>				
Cash flow hedges:				
- Subsidiaries	145,733	(212,098)	347,321	(390,735)
- Associates and joint ventures	-	(106,369)	-	(105,165)
Currency translation differences:				
- Subsidiaries	341,346	(131,500)	515,622	(136,943)
- Associates and joint ventures	69,526	53,391	(15,787)	27,371
	-----	-----	-----	-----
Other comprehensive income/(loss) for the period, net of tax	555,979	(417,639)	841,249	(625,663)
	-----	-----	-----	-----
Total comprehensive income/(loss) for the period	<u>685,658</u>	<u>(336,588)</u>	<u>1,204,800</u>	<u>(404,918)</u>
Attributable to:				
Owners of the parent	644,070	(383,639)	1,202,162	(443,874)
Non-controlling interests	41,588	47,051	2,638	38,956
	-----	-----	-----	-----
	<u>685,658</u>	<u>(336,588)</u>	<u>1,204,800</u>	<u>(404,918)</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	31.3.2021	30.6.2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,955,839	21,880,462
Investment properties	506,586	467,208
Project development costs	277,291	248,617
Intangible assets	8,656,556	8,641,718
Right-of-use assets	514,581	621,765
Investments accounted for using the equity method	2,166,083	2,215,451
Investments	211,903	215,369
Derivative financial instruments	11,578	10,585
Receivables, deposits and prepayments	1,472,943	1,384,457
	-----	-----
	37,773,360	35,685,632
	-----	-----
Current assets		
Inventories	361,794	311,910
Investments	1,809,067	1,389,043
Receivables, deposits and prepayments	2,639,459	2,192,566
Derivative financial instruments	224,732	74,259
Cash and bank balances	8,850,890	7,484,725
	-----	-----
	13,885,942	11,452,503
	-----	-----
TOTAL ASSETS	51,659,302	47,138,135
	=====	=====
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	6,194,764	5,688,663
Treasury shares, at cost	(46,732)	(708,261)
	-----	-----
Equity attributable to owners of the parent	13,186,619	12,018,989
Non-controlling interests	(95,589)	23,765
	-----	-----
TOTAL EQUITY	13,091,030	12,042,754
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED	AUDITED
	As at	As at
	31.3.2021	30.6.2020
	RM'000	RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	2,197,916	2,029,692
Borrowings	22,003,997	20,153,160
Lease liabilities	449,683	454,145
Post-employment benefit obligations	902,789	888,898
Grants and contributions	673,806	596,668
Derivative financial instruments	2,392	15,401
Payables	1,427,432	1,280,697
	-----	-----
	27,658,015	25,418,661
	-----	-----
Current liabilities		
Payables and accrued expenses	2,614,603	2,050,968
Derivative financial instruments	41,048	174,944
Post-employment benefit obligations	1,352	655
Taxation	51,317	3,695
Borrowings	8,159,094	7,311,704
Lease liabilities	42,843	134,754
	-----	-----
	10,910,257	9,676,720
	-----	-----
TOTAL LIABILITIES	38,568,272	35,095,381
	-----	-----
TOTAL EQUITY AND LIABILITIES	51,659,302	47,138,135
	=====	=====
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.63	1.57
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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 2020	7,038,587	(1,692,576)	(708,261)	7,381,239	12,018,989	23,765	12,042,754
Profit for the financial period	-	-	-	343,630	343,630	19,921	363,551
Other comprehensive income/(loss) for the financial period	-	858,532	-	-	858,532	(17,283)	841,249
Total comprehensive income for the financial period	-	858,532	-	343,630	1,202,162	2,638	1,204,800
Dividends paid	-	-	-	-	-	(121,992)	(121,992)
Share dividend	-	-	699,576	(699,576)	-	-	-
Share option expenses	-	3,515	-	-	3,515	-	3,515
Share option lapsed	-	(37,082)	-	37,082	-	-	-
Share repurchased	-	-	(38,047)	-	(38,047)	-	(38,047)
At 31 March 2021	<u>7,038,587</u>	<u>(867,611)</u>	<u>(46,732)</u>	<u>7,062,375</u>	<u>13,186,619</u>	<u>(95,589)</u>	<u>13,091,030</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 2020 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	-----Attributable to Owners of the Parent-----					Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 30 June 2019, as previously reported	7,038,587	(1,596,412)	(708,259)	7,910,466	12,644,382	226,280	12,870,662
Adjustments from adoption of MFRS 16	-	-	-	(31,570)	(31,570)	(20,791)	(52,361)
At 1 July 2019, as restated	7,038,587	(1,596,412)	(708,259)	7,878,896	12,612,812	205,489	12,818,301
Profit for the financial period	-	-	-	208,416	208,416	12,329	220,745
Other comprehensive (loss)/income for the financial period	-	(652,290)	-	-	(652,290)	26,627	(625,663)
Total comprehensive (loss)/income for the financial period	-	(652,290)	-	208,416	(443,874)	38,956	(404,918)
Dividends paid	-	-	-	(383,765)	(383,765)	(228,653)	(612,418)
Share option lapsed	-	(340)	-	340	-	-	-
Share repurchased	-	-	(2)	-	(2)	-	(2)
Share option expenses	-	3,885	-	-	3,885	-	3,885
At 31 March 2020	7,038,587	(2,245,157)	(708,261)	7,703,887	11,789,056	15,792	11,804,848

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD [Company No. 199601034332 (406684-H)]
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	9 MONTHS ENDED	
	31.3.2021 RM'000	31.3.2020 RM'000
Cash flows from operating activities		
Profit for the financial period	363,551	220,745
Adjustment for:		
Allowance for impairment of inventories	15,264	673
Amortisation of contract costs	2,502	6,284
Amortisation of deferred income	(4,113)	-
Amortisation of grants and contributions	(12,953)	(15,154)
Amortisation of intangible assets	51,882	41,802
Bad debts recovered	(1,539)	(2,039)
Depreciation of property, plant and equipment	783,124	801,708
Depreciation of right-of-use assets	95,765	98,881
Fair value gain on derivatives	-	(3,332)
Fair value loss on investments	17,903	3,948
Interest expense	710,430	836,181
Interest income	(12,705)	(7,971)
Net gain on disposal of property, plant and equipment	(5,210)	(5,942)
Property, plant and equipment written off	1,987	6,455
Provision for post-employment benefit	35,138	36,392
Share of profits of investments accounted for using the equity method	(265,483)	(307,327)
Share option expenses	3,416	3,769
Taxation	120,460	105,043
Unrealised (gain)/loss on foreign exchange	(3,918)	8,831
(Write back of)/Allowance for impairment of receivables (net of reversals)	(6,943)	56,725
(Write back of)/Provision for liabilities and charges	(3,506)	1,664
Other non-cash items	225	-
	-----	-----
	1,885,277	1,887,336
Changes in working capital:		
Inventories	(53,937)	148,806
Receivables, deposits and prepayments	(512,616)	23,260
Payables and accrued expenses	558,317	113,423
	-----	-----
Cash flows from operations	1,877,041	2,172,825
Interest paid	(549,733)	(763,876)
Payment to post-employment benefit obligations	(105,311)	(114,351)
Tax paid	(43,651)	(119,810)
	-----	-----
Net cash flows from operating activities	1,178,346	1,174,788
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 - Continued**

	9 MONTHS ENDED	
	31.3.2021	31.3.2020
	RM'000	RM'000
Cash flows from investing activities		
Additional investments	(913)	-
Development expenditure incurred on investment properties	-	(44,478)
Dividends received	317,186	300,480
Grants received	69,431	74,739
Interest received	4,162	13,426
Net increase in deposits maturing more than 90 days	(1,052,851)	-
(Net placement)/Maturities of income funds	(371,958)	73,000
Prepayment for land acquisition	(7,836)	(2,011)
Proceeds from disposal of investments	396	-
Proceeds from disposal of property, plant and equipment	10,833	10,167
Purchase of intangible assets	(97)	(221,304)
Purchase of property, plant and equipment	(1,320,661)	(1,082,689)
Shareholder loans	(62,205)	(75,029)
	-----	-----
Net cash flows used in investing activities	(2,414,513)	(953,699)
	-----	-----
Cash flows from financing activities		
Dividends paid	-	(383,765)
Dividends paid to non-controlling interests	(121,992)	(228,653)
Proceeds from borrowings	2,503,945	1,073,587
Repayment of borrowings	(957,259)	(303,225)
Repayment of lease liabilities	(128,920)	(120,672)
Repurchase of own shares	(38,047)	(2)
	-----	-----
Net cash flows from financing activities	1,257,727	37,270
	-----	-----
Net changes in cash and cash equivalents	21,560	258,359
Effects of exchange rate changes	250,034	54,263
Cash and cash equivalents at beginning of the financial year	6,923,559	7,539,691
	-----	-----
Cash and cash equivalents at end of the financial period <i>[Note a]</i>	7,195,153	7,852,313
	=====	=====

[Note a]

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

	RM'000	RM'000
Fixed deposits	7,624,708	7,262,427
Cash and bank balances	1,226,182	589,886
Deposits with maturity 90 days and more	(1,655,697)	-
Bank overdrafts	(40)	-
(included within short term borrowing in Note B9)		
	-----	-----
	7,195,153	7,852,313
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2020.

A1. Accounting Policies and Methods of Computation

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

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2020.

The adoption of MFRSs, amendments to MFRSs and IC interpretation which were effective for financial year beginning on or after 1 July 2020 do not have significant financial impact to the Group.

A2. Seasonality or Cyclicity of Operations

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

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INTERIM FINANCIAL REPORT

Notes – continued

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Power generation (Contracted)				
- Sale of electricity	62,120	117,624	198,479	548,831
Multi utilities business (Merchant)				
- Sale of electricity	1,365,054	1,239,590	4,079,376	4,090,889
- Sale of steam	44,767	44,149	132,288	136,782
- Others	58,631	85,091	146,757	326,028
	<u>1,468,452</u>	<u>1,368,830</u>	<u>4,358,421</u>	<u>4,553,699</u>
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	909,555	879,001	2,719,292	2,627,658
Telecommunications business				
- Sale of devices	48,279	456	50,179	4,911
- Telecommunications services	93,228	133,196	263,565	301,350
- Telecommunications infrastructure business	14,477	15,675	40,454	39,518
	<u>155,984</u>	<u>149,327</u>	<u>354,198</u>	<u>345,779</u>
Investment holding activities				
- Investment income	20,212	49,154	57,431	139,482
- Management, operation and maintenance fees	16,890	14,175	47,746	84,055
- Others	3,264	12,362	20,292	46,103
	<u>40,366</u>	<u>75,691</u>	<u>125,469</u>	<u>269,640</u>
	<u>2,636,477</u>	<u>2,590,473</u>	<u>7,755,859</u>	<u>8,345,607</u>

A4. Unusual Items

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

A5. Changes in Estimates of Amounts Reported

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

INTERIM FINANCIAL REPORT

Notes – continued

A6. Changes in Debt and Equity Securities

There was no share issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme during the current financial quarter and financial year to date. The existing Employees Share Option Scheme was lapsed and ceased to be valid for any purposes as at 31 March 2021.

During the current financial quarter and financial year to date, the Company repurchased 6,928,800 and 52,829,800 ordinary shares from the open market for a total consideration of RM4,834,582 and RM38,046,502, respectively. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares.

A total of 479,687,081 treasury shares were distributed on 12 November 2020 to the shareholders on the basis of one (1) treasury share for every sixteen (16) ordinary shares held as at 28 October 2020 for the current financial year to date. As at 31 March 2021, the number of treasury shares held was 56,051,431 ordinary shares.

On 5 January 2021, a subsidiary of the Company issued a 15-year Guaranteed Fixed Rate Bond of RM1,645.1 million (GBP300.0 million) with an ultralow annual interest rate of 1.25%. The proceeds of the issuance will be utilised to repay an existing RM1,645.1 million (GBP300.0 million) bond which matures in September 2021, with an annual interest rate of 4.0%.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

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

A8. Segment Information

The Group has five reportable segments as described below:

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

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

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

Segment information for the financial period ended 31 March 2021:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Telecom- munications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	198,479	4,358,421	2,719,292	354,820	149,767	7,780,779
Inter-segment elimination	-	-	-	(622)	(24,298)	(24,920)
External Revenue	<u>198,479</u>	<u>4,358,421</u>	<u>2,719,292</u>	<u>354,198</u>	<u>125,469</u>	<u>7,755,859</u>
Segment profit/(loss) before tax	<u>21,918</u>	<u>248,159</u>	<u>403,013</u>	<u>(172,621)</u>	<u>(16,458)</u>	<u>484,011</u>
Finance costs						710,430
Depreciation and amortisation						916,207
EBITDA*						<u>2,110,648</u>

*Included is a fair value loss of RM17.9 million and allowance for impairment of RM8.3 million.

Segment information for the financial period ended 31 March 2020:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Telecom- munications business RM'000	Investment holding activities RM'000	Group RM'000
Total Revenue	548,831	4,553,699	2,627,658	346,688	311,137	8,388,013
Inter-segment elimination	-	-	-	(909)	(41,497)	(42,406)
External Revenue	<u>548,831</u>	<u>4,553,699</u>	<u>2,627,658</u>	<u>345,779</u>	<u>269,640</u>	<u>8,345,607</u>
Segment profit/(loss) before tax	<u>43,522</u>	<u>(155,214)</u>	<u>536,754</u>	<u>(220,173)</u>	<u>120,899</u>	<u>325,788</u>
Finance costs						836,181
Depreciation and amortisation						933,521
EBITDA*						<u>2,095,490</u>

*Included is a fair value loss of RM0.6 million and allowance for impairment of RM57.4 million.

INTERIM FINANCIAL REPORT

Notes – continued

A9. Events After the Interim Period

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

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 31 March 2021, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

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

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

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

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

- (iii) On 23 March 2021, YTL Arena (Filton) Limited (“YTL Arena (Filton)”) was incorporated as a wholly-owned subsidiary of YTL Land and Property (UK) Ltd, an indirect wholly-owned subsidiary of the Company. As a result, YTL Arena (Filton) became an indirect wholly-owned subsidiary of the Company.

YTL Arena (Filton) was incorporated in England and Wales with an issued share capital of USD382.50 comprising 510 ordinary shares of USD0.75 each and is principally involved in the activities of a holding company.

- (iv) On 24 March 2021, YTL Arena Limited (“YTL Arena”) was incorporated as a wholly-owned subsidiary of YTL Arena (Filton). As a result, YTL Arena became an indirect wholly-owned subsidiary of the Company.

YTL Arena was incorporated in England and Wales with an issued share capital of GBP100.00 comprising 100 ordinary shares of GBP1.00 each and will be principally involved in the development of building projects.

INTERIM FINANCIAL REPORT

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A11. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2020.

A12. Fair value measurement

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

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

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

	Level 1 RM’000	Level 2 RM’000	Level 3 RM’000	Total RM’000
31.3.2021				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	-	1,809,067	-	1,809,067
- Equity investments	-	3,835	-	3,835
Financial assets at fair value through other comprehensive income				
Derivatives used for hedging	45,978	45	162,045	208,068
Total assets	45,978	2,049,257	162,045	2,257,280
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	1,410	-	1,410
Derivatives used for hedging	-	42,030	-	42,030
Total liabilities	-	43,440	-	43,440

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

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

B1. Review of the Results

The comparison of the results is tabulated below:

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	31.3.2021 RM'000	31.3.2020 RM'000		31.3.2021 RM'000	31.3.2020 RM'000	
Revenue						
Power generation (Contracted)	62,120	117,624	-47.2%	198,479	548,831	-63.8%
Multi utilities business (Merchant)	1,468,452	1,368,830	+7.3%	4,358,421	4,553,699	-4.3%
Water & sewerage	909,555	879,001	+3.5%	2,719,292	2,627,658	+3.5%
Telecommunications business	155,984	149,327	+4.5%	354,198	345,779	+2.4%
Investment holding activities	40,366	75,691	-46.7%	125,469	269,640	-53.5%
	<u>2,636,477</u>	<u>2,590,473</u>	+1.8%	<u>7,755,859</u>	<u>8,345,607</u>	-7.1%
Profit/(Loss) before taxation						
Power generation (Contracted)	9,151	14,117	-35.2%	21,918	43,522	-49.6%
Multi utilities business (Merchant)	66,496	(37,701)	>100%	248,159	(155,214)	>100%
Water & sewerage	136,758	152,609	-10.4%	403,013	536,754	-24.9%
Telecommunications business	(27,098)	(43,282)	+37.4%	(172,621)	(220,173)	+21.6%
Investment holding activities	(16,733)	29,902	->100%	(16,458)	120,899	->100%
	<u>168,574</u>	<u>115,645</u>	+45.8%	<u>484,011</u>	<u>325,788</u>	+48.6%

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a) Current Quarter vs Preceding Year Corresponding Quarter

The Group profit before taxation for the current financial quarter improved by RM52.9 million or 45.8% to RM168.6 million as compared to RM115.6 million recorded in the preceding year corresponding quarter.

The Group recorded a revenue of RM2,636.5 million for the current financial quarter ended 31 March 2021 as compared to RM2,590.5 million recorded in the preceding year corresponding quarter ended 31 March 2020.

Performance of the respective operating business segments for the quarter ended 31 March 2021 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)

The lower profit before taxation was mainly due to the contribution to corporate social responsibility programme.

The lower revenue was mainly due to the lower energy payment recorded while the capacity charge remains the same.

Multi utilities business (Merchant)

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

The higher revenue was primarily due to higher volume of electricity sold and increase in fuel oil price.

Water & sewerage

The lower profit before taxation was mainly due to the price reset as determined by regulator.

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

Telecommunications business

The improvement in loss before taxation and higher revenue was mainly due to increase in subscribers base resulting from the launch of affordable data plans bolstered by partnerships and collaborations.

Investment holding activities

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

The lower revenue was primarily due to the lower interest and technical service income.

b) Current Year to date vs Preceding Year to date

The Group profit before taxation for the current financial period improved by RM158.2 million or 48.6% to RM484.0 million as compared to RM325.8 million recorded in the preceding year corresponding period, principally attributable to the better performance in Multi utilities business (Merchant) segment.

The Group revenue was RM7,755.9 million for the current financial period ended 31 March 2021 as compared to RM8,345.6 million recorded in the preceding financial period ended 31 March 2020.

INTERIM FINANCIAL REPORT

Notes – continued

Performance of the respective operating business segments for the period ended 31 March 2021 as compared to the preceding year corresponding period was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Power generation (Contracted)

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

The lower revenue was mainly due to the lower energy payment recorded while the capacity charge remains the same.

Multi utilities business (Merchant)

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

The lower revenue was primarily due to the absence of sales of fuel oil.

B2. Comparison with Preceding Quarter

	Current Quarter 31.3.2021 RM'000	Preceding Quarter 31.12.2020 RM'000	Variance % +/-
Revenue	2,636,477	2,616,552	+0.8%
Consolidated profit before taxation	168,574	206,580	-18.4%
Consolidated profit after taxation	129,679	155,996	-16.9%

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

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INTERIM FINANCIAL REPORT

Notes – continued

B3. Prospects

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

Power generation (Contracted)

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

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

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

Multi utilities business (Merchant)

As power generation is an essential service, electricity demand is expected to remain stable despite the continuous control measures implemented by the Singapore government to curb the Covid-19 pandemic.

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

INTERIM FINANCIAL REPORT

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

Water & sewerage

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

Telecommunications business

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

In response to the Covid-19 pandemic, YTL Communications and FrogAsia 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 free YES SIM cards with 40GB of data to students registered in government schools and partner tertiary education institutions and also provided free mobile phones and YES data plans to students from B40 families, thereby ensuring students have devices and access to sufficient data for online learning. Online learning resources and lessons were also provided by FrogAsia to facilitate learning from home. This initiative has been extended to 30 September 2021 as schools have again closed due to the third wave of the pandemic.

YTL Communications launched its YES Kasi Up programme in December 2020, offering the most affordable data plans in the market. The programme includes a referral scheme that gives cash rewards to subscribers for being referral ambassadors for YES. A partnership with Shopee, the country’s largest e-commerce platform, rewards Shopee customers who are YES subscribers with free data for money spent on Shopee, making data even more affordable and accessible. By offering affordable data plans this segment is looking to increase its subscriber base bolstered by partnerships and collaborations.

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

INTERIM FINANCIAL REPORT

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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 2020

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

B6. Profit for the period

	Current Quarter 31.3.2021 RM'000	Current Year To Date 31.3.2021 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of inventories	568	15,264
Allowance for/(Write back of) impairment of receivables (net of reversals)	31,521	(6,943)
Amortisation of contract costs	575	2,502
Amortisation of deferred income	(4,113)	(4,113)
Amortisation of grants and contributions	(1,423)	(12,953)
Amortisation of intangible assets	18,436	51,882
Bad debts recovered	(462)	(1,539)
Depreciation of property, plant and equipment	274,629	783,124
Depreciation of right-of-use assets	30,341	95,765
Fair value loss on investments	26,868	17,903
Gain on foreign exchange	(16,484)	(9,408)
Interest expense	239,551	710,430
Interest income	(9,514)	(12,705)
Net gain on disposal of property, plant and equipment	(4,618)	(5,210)
Property, plant and equipment written off	759	1,987
Write back of liabilities and charges	(5,042)	(3,506)
	=====	=====

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

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INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

	Current Quarter 31.3.2021 RM'000	Current Year To Date 31.3.2021 RM'000
In respect of current period		
- Income Tax	25,842	96,289
- Deferred Tax	13,053	24,171
	<u>38,895</u>	<u>120,460</u>

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

B8. Corporate Proposals

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

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

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

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INTERIM FINANCIAL REPORT

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B9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdrafts	-	40	40
Bonds	-	300,000	300,000
Revolving credit	-	304,500	304,500
Term loans	-	7,554,554	7,554,554
	-	8,159,094	8,159,094
Non- current			
Bonds	-	18,362,367	18,362,367
Revolving credit	-	677,385	677,385
Term loans	-	2,964,245	2,964,245
	-	22,003,997	22,003,997
Total borrowings	-	30,163,091	30,163,091

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

	Foreign currency '000	RM Equivalents '000
US Dollar	447,509	1,861,190
Sterling Pound	2,738,400	15,634,347
Singapore Dollar	1,943,492	5,999,560

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM1,136.3 million, for which the Company has provided corporate guarantees to the financial institutions.

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INTERIM FINANCIAL REPORT

Notes – continued

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

(a) Derivative Financial Instruments

As at 31 March 2021, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil Swaps</u>		
- Less than 1 year	939,576	208,488
- 1 year to 3 years	110,559	9,760
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,138,901	(24,804)
- 1 year to 3 years	142,297	(574)
- More than 3 years	-	-

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

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

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

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INTERIM FINANCIAL REPORT

Notes – continued

(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 31 March 2021 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current quarter 31.3.2021 RM'000	Current year to date 31.3.2021 RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved (unfavourably against)/ in favour of the Group	(9)	39
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved (unfavourably against)/ in favour of the Group	(740)	3,262
Total			(749)	3,301

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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

The Board of Directors is pleased to declare an interim dividend of 2 sen per ordinary share for the financial year ending 30 June 2021.

The book closure and payment dates in respect of the aforesaid dividend are 15 June 2021 and 29 June 2021, respectively.

B13. Earnings Per Share

• **Basic and Diluted Earnings Per Share**

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

	Individual Quarter		Cumulative Quarter	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Profit attributable to Owners of the Parent (RM'000)	<u>112,194</u>	<u>70,800</u>	<u>343,630</u>	<u>208,416</u>
Weighted average number of ordinary shares ('000)	<u>8,103,168</u>	<u>7,675,301</u>	<u>7,899,196</u>	<u>7,675,301</u>
Basic/Diluted earnings per share (Sen)	<u>1.38</u>	<u>0.92</u>	<u>4.35</u>	<u>2.72</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 28 May 2021