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

Interim Financial Report
30 June 2020

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial year ended 30 June 2020.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	12 MONTHS ENDED	
	30.6.2020	30.6.2019	30.6.2020	30.6.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	2,324,656	3,114,358	10,670,263	11,732,716
Cost of sales	(2,047,121)	(2,577,443)	(9,131,865)	(9,705,562)
Gross profit	277,535	536,915	1,538,398	2,027,154
Other operating income	40,527	84,822	110,577	143,185
Other operating expenses	(121,191)	(164,488)	(597,462)	(687,182)
Profit from operations	196,871	457,249	1,051,513	1,483,157
Finance costs	(245,770)	(279,982)	(1,081,951)	(1,130,885)
Share of profits of investments accounted for using the equity method	146,889	89,092	454,216	401,156
Profit before taxation	97,990	266,359	423,778	753,428
Taxation	(193,132)	(43,859)	(298,175)	(139,900)
(Loss)/Profit for the period/year	(95,142)	222,500	125,603	613,528
Attributable to:				
Owners of the parent	(143,843)	167,427	64,573	476,751
Non-controlling interests	48,701	55,073	61,030	136,777
	(95,142)	222,500	125,603	613,528
(Loss)/Earnings per share attributable to owners of the parent				
Basic (sen)	(1.87)	2.18	0.84	6.20
Diluted (sen)	(1.87)	2.18	0.84	6.19

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2019 RM'000	12 MONTHS ENDED 30.6.2020 RM'000	12 MONTHS ENDED 30.6.2019 RM'000
(Loss)/Profit for the period/year	(95,142)	222,500	125,603	613,528
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to income statement:				
Financial assets at fair value through other comprehensive income	(6,508)	15,041	(26,699)	(34,891)
Re-measurement of post-employment benefit obligations				
- Subsidiaries	(181,506)	(43,965)	(181,506)	(43,965)
- Associates and joint ventures	(663)	(6,777)	(663)	(6,777)
Items that may be reclassified subsequently to income statement:				
Cash flow hedges:				
- Subsidiaries	233,339	(77,417)	(157,396)	(206,004)
- Associates and joint ventures	20,143	(125,025)	(85,022)	(142,617)
Currency translation differences:				
- Subsidiaries	185,359	85,211	48,416	203,503
- Associates and joint ventures	37,064	30,090	64,435	31,597
Other comprehensive income/(loss) for the period/year, net of tax	287,228	(122,842)	(338,435)	(199,154)
Total comprehensive income/(loss) for the period/year	192,086	99,658	(212,832)	414,374
Attributable to:				
Owners of the parent	145,539	33,856	(298,335)	260,271
Non-controlling interests	46,547	65,802	85,503	154,103
	192,086	99,658	(212,832)	414,374

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As at 30.6.2020 RM'000	AUDITED As at 30.6.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,876,528	21,631,567
Right-of-use assets	621,765	-
Investment properties	463,812	477,749
Project development costs	248,617	228,952
Intangible assets	8,640,227	8,278,649
Investments accounted for using the equity method	2,215,451	2,188,956
Investments	215,370	242,100
Derivative financial instruments	10,585	18,722
Receivables, deposits and prepayments	1,334,753	1,102,127
	35,627,108	34,168,822
Current assets		
Inventories	311,910	416,006
Investments	1,389,043	1,490,865
Receivables, deposits and prepayments	2,214,010	2,573,581
Derivative financial instruments	74,259	63,388
Cash and bank balances	7,484,877	7,560,316
	11,474,099	12,104,156
TOTAL ASSETS	47,101,207	46,272,978
EQUITY AND LIABILITIES		
Share capital	7,038,587	7,038,587
Reserves	5,605,517	6,314,054
Treasury shares, at cost	(708,261)	(708,259)
Equity attributable to owners of the parent	11,935,843	12,644,382
Non-controlling interests	24,730	226,280
TOTAL EQUITY	11,960,573	12,870,662

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued

	UNAUDITED As at 30.6.2020 RM'000	AUDITED As at 30.6.2019 RM'000
LIABILITIES		
Non-current liabilities		
Deferred taxation	2,029,999	1,872,441
Borrowings	20,083,209	19,071,117
Post-employment benefit obligations	888,898	704,080
Grants and contributions	596,668	560,828
Derivative financial instruments	15,401	19,131
Payables	1,360,459	1,154,792
	24,974,634	23,382,389
Current liabilities		
Payables and accrued expenses	2,018,276	2,277,707
Derivative financial instruments	174,944	48,906
Post-employment benefit obligations	655	1,408
Taxation	3,513	49,263
Borrowings	7,968,612	7,642,643
	10,166,000	10,019,927
TOTAL LIABILITIES	35,140,634	33,402,316
TOTAL EQUITY AND LIABILITIES	47,101,207	46,272,978
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.56	1.65

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Attributable to Owners of the Parent						
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity 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 year	-	-	-	64,573	64,573	61,030	125,603
Other comprehensive (loss)/income for the financial year	-	(180,750)	-	(182,158)	(362,908)	24,473	(338,435)
Total comprehensive (loss)/income for the financial year	-	(180,750)	-	(117,585)	(298,335)	85,503	(212,832)
Dividends paid	-	-	-	(383,765)	(383,765)	(266,262)	(650,027)
Share option expenses	-	5,133	-	-	5,133	-	5,133
Share option lapsed	-	(628)	-	628	-	-	-
Share repurchased	-	-	(2)	-	(2)	-	(2)
At 30 June 2020	7,038,587	(1,772,657)	(708,261)	7,378,174	11,935,843	24,730	11,960,573

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Attributable to Owners of the Parent						
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 30 June 2018, as previously reported	7,038,587	(1,435,015)	(509,634)	7,919,190	13,013,128	111,386	13,124,514
Adjustments from adoption of MFRS 15	-	139	-	(2,572)	(2,433)	230	(2,203)
Acquisition accounting and consolidation elimination restatements	-	-	-	(48,096)	(48,096)	-	(48,096)
At 30 June 2018, as restated	7,038,587	(1,434,876)	(509,634)	7,868,522	12,962,599	111,616	13,074,215
Adjustments from adoption of MFRS 9	-	-	-	(1,371)	(1,371)	(916)	(2,287)
At 1 July 2018, as restated	7,038,587	(1,434,876)	(509,634)	7,867,151	12,961,228	110,700	13,071,928
Profit for the financial year	-	-	-	476,751	476,751	136,777	613,528
Other comprehensive (loss)/income for the financial year	-	(165,743)	-	(50,737)	(216,480)	17,326	(199,154)
Total comprehensive (loss)/income for the financial year	-	(165,743)	-	426,014	260,271	154,103	414,374
Acquisition of a subsidiary	-	-	-	-	-	53	53
Changes in composition of the Group	-	-	-	(80)	(80)	112	32
Dividends paid	-	-	-	(383,765)	(383,765)	(38,688)	(422,453)
Share option expenses	-	5,353	-	-	5,353	-	5,353
Share option lapsed	-	(1,146)	-	1,146	-	-	-
Share repurchased	-	-	(198,625)	-	(198,625)	-	(198,625)
At 30 June 2019, as restated	7,038,587	(1,596,412)	(708,259)	7,910,466	12,644,382	226,280	12,870,662

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	12 MONTHS ENDED	
	UNAUDITED 30.6.2020 RM'000	AUDITED 30.6.2019 RM'000
Cash flows from operating activities		
Profit for the financial year	125,603	613,528
Adjustment for:		
Allowance for impairment of inventories	910	4,582
Allowance for impairment of property, plant and equipment	2,953	4,347
Allowance for impairment of receivables (net of reversals)	120,791	146,089
Amortisation of contract costs	7,842	11,569
Amortisation of deferred income	(5,209)	(4,579)
Amortisation of grants and contributions	(15,166)	(15,973)
Amortisation of intangible assets	69,248	9,859
Bad debts recovered	(1,879)	(4,122)
Depreciation of property, plant and equipment	987,653	1,075,234
Depreciation of right-of-use assets	127,036	-
Fair value gain on derivatives	(3,357)	(15,590)
Fair value gain on investments	(21,011)	(32,753)
Fair value loss/(gain) on investment properties	9,023	(53,016)
Interest expense	1,081,951	1,130,885
Interest income	(10,242)	(8,077)
Net gain on disposal of property, plant and equipment	(7,210)	(4,462)
Property, plant and equipment written off	9,905	22,291
Provision for post-employment benefit	62,374	63,962
Share of profits of investments accounted for using the equity method	(454,216)	(401,156)
Share option expenses	5,010	5,294
Taxation	298,175	139,900
Unrealised loss/(gain) on foreign exchange	3,535	(313)
Write back of fuel cost	(9,602)	-
(Write back of)/Provision for liabilities and charges	(3,437)	8,219
	2,380,680	2,695,718
Changes in working capital:		
Inventories	112,299	27,931
Receivables, deposits and prepayments	33,249	(645,384)
Payables and accrued expenses	41,907	457,259
Cash flows from operations	2,568,135	2,535,524
Interest paid	(925,312)	(992,328)
Payment for provision and liabilities	(7,093)	(3,619)
Payment to post-employment benefit obligations	(125,949)	(111,007)
Tax paid	(162,447)	(180,170)
Net cash flows from operating activities	1,347,334	1,248,400

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 - Continued

	12 MONTHS ENDED	
	UNAUDITED 30.6.2020 RM'000	**AUDITED 30.6.2019 RM'000**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	519
Deposits maturing more than 90 days	(519,204)	-
Development expenditure incurred on investment properties	(36,244)	(15,558)
Dividends received	406,472	385,772
Grants received	49,342	29,432
Interest received	20,638	7,614
Maturities of income funds	176,000	1,285,382
Prepayment for land acquisition	(3,867)	(12,133)
Proceeds from disposal of property, plant and equipment	12,008	10,113
Purchase of intangible assets	(207,806)	(4,215)
Purchase of property, plant and equipment	(1,455,507)	(1,489,209)
Shareholder loans	(94,651)	(60,305)
Net cash flows (used in)/from investing activities	(1,652,819)	137,412
Cash flows from financing activities		
Dividend paid	(383,765)	(383,765)
Dividends paid to non-controlling interests	(266,262)	(38,688)
Proceeds from borrowings	1,672,445	2,490,134
Upfront fees on borrowings	-	(1,950)
Repayment of borrowings	(1,176,105)	(3,134,668)
Repayment of lease liabilities	(173,054)	-
Repurchase of own shares	(2)	(198,625)
Net cash flows used in financing activities	(326,743)	(1,267,562)
Net changes in cash and cash equivalents	(632,228)	118,250
Effects of exchange rate changes	16,248	116,350
Cash and cash equivalents at beginning of the financial year	7,539,691	7,305,091
Cash and cash equivalents at end of the financial year *[Note a]*	6,923,711	7,539,691

[Note a]
Cash and cash equivalents at the end of the financial year comprise:

Fixed deposits	6,952,762	7,184,832
Cash and bank balances	532,115	375,484
Deposits with maturity 90 days and more	(516,019)	-
Bank overdrafts (included within short term borrowing in Note B9)	(45,147)	(20,625)
	6,923,711	7,539,691

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 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 2019.

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 2019.

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 2019, except for changes arising from the adoption of MFRS 16 "Leases" as described below:

<u>MFRS 16 "Leases" ("MFRS 16")</u>

MFRS 16 supersedes MFRS 117 "Leases" and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the Income Statement.

The Group applies MFRS 16 using the modified retrospective approach, therefore the comparative information was not restated and continues to be reported under MFRS 117 Leases ("MFRS 117") and IC Interpretation 4 Determining Whether an Arrangement Contain a Lease ("IC 4"). The retrospective impact of applying MFRS 16 for the leasing contracts assessed to be relevant to MFRS 16 as at 1 July 2019 is adjusted to the Group's retained earnings as at 1 July 2019.

The purchases and sales of rights to access and rights to use licenses of intellectual property are excluded from the scope of MFRS 16.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method, re-measured when there is a change in the Group's estimates of future lease payments arising from changes in circumstances relating to the contractor if the Group changes its assessment of whether it will exercise a purchase, extension or termination options.

In such re-measurements, a corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in Income Statement if the carrying value of the right-of-use asset has been reduced to zero.

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at inception or at initial application of MFRS 16 and low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The adoption of MFRS 16 impacts the Group's performance in the current financial year as below:

(a) On the Income Statement, expenses which previously included leasing expenses within Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") were replaced by interest expense on lease liabilities and depreciation of the right-of-use assets.

(b) On the Statements of Cash Flows, operating lease rental outflows previously recorded within "net cash flows from operating activities" were reclassified as "net cash flows used in financing activities" for repayment of the principal and interest of lease liabilities.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

(i) Consolidated statement of financial position *(extract)*

	30.6.2019 As previously reported	**Effects of MFRS 16**	**1.7.2019 As restated**
	RM'000	**RM'000**	**RM'000**
Non-current assets			
Property, plant and equipment	21,631,567	(106,902)	21,524,665
Right-of-use assets	-	718,881	718,881
Equity and liabilities			
Capital and reserves			
Reserves	5,605,795	(31,570)	5,574,225
Non-controlling interests	226,280	(20,791)	205,489
Non-current liabilities			
Borrowings (Others)	19,071,117	(14,753)	19,056,364
Borrowings (Lease liabilities)	-	560,296	560,296
Current liabilities			
Borrowings (Others)	7,642,643	(27,888)	7,614,755
Borrowings (Lease liabilities)	-	146,685	146,685

(ii) Reconciliation of operating lease commitment as at 30 June 2019 to the opening balance of lease liabilities as at 1 July 2019 is as follow:

	RM'000
Operating lease commitments disclosed as at 30 June 2019	608,311
(Less): short-term leases recognised on a straight-line basis as expense	(10,659)
(Less): contracts reassessed as service agreements	(268,317)
	329,335
Discounted using the lessee's incremental borrowing rate of at the date of initial application	257,999
Add: finance lease liabilities recognised as at 30 June 2019	42,641
Add: contracts reassessed as lease contracts	107,774
Add: adjustments as a result of a different treatment of extension and termination options	298,567
Lease liabilities as at 1 July 2019	706,981
Of which are:	
Current lease liabilities	146,685
Non-current lease liabilities	560,296
	706,981

(iii) The recognition of Group's right-of-use assets on 1 July 2019 is as follows:

The right-of-use assets were measured on modified retrospective approach as if the new standard had always been applied since the initial date of the contract.

Non-current assets	**RM'000**
Right-of-use assets – Land	125,637
Right-of-use assets – Buildings	4,772
Right-of-use assets – Network Sites and Equipment	513,956
Right-of-use assets – Non-Network Equipment	8,048
Right-of-use assets – Fibre	66,445
Right-of-use assets – Others	23
Total	718,881

The adoption of MFRSs, amendments to MFRSs and IC interpretation which were effective for financial year beginning on or after 1 July 2019 do not have significant financial impact to the Group other than explained above.

Notes – continued

A2. Seasonality or Cyclicality of Operations

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

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	30.6.2020 RM'000	**30.6.2019 RM'000**	**30.6.2020 RM'000**	**30.6.2019 RM'000**
Power generation (Contracted)				
- Sale of electricity	84,604	203,984	633,435	798,480
Multi utilities business (Merchant)				
- Sale of electricity	1,113,916	1,597,363	5,204,805	5,908,123
- Sale of steam	35,118	51,134	171,900	211,048
- Others	63,399	37,511	389,427	154,830
	1,212,433	1,686,008	5,766,132	6,274,001
Water & sewerage				
- Supply of clean water and treatment and disposal of waste water	859,132	892,966	3,486,790	3,437,435
Telecommunications business				
- Sale of devices	2,642	8,890	7,553	16,166
- Telecommunications services	97,945	214,302	399,295	810,392
- Telecommunications infrastructure business	10,911	13,812	50,429	45,389
	111,498	237,004	457,277	871,947
Investment holding activities				
- Investment income	23,919	45,292	153,401	188,130
- Management, operation and maintenance fees	28,517	24,870	122,572	93,516
- Others	4,553	24,234	50,656	69,207
	56,989	94,396	326,629	350,853
	2,324,656	3,114,358	10,670,263	11,732,716

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.

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.

A total of 2,000 ordinary shares were repurchased from the open market for a total consideration of RM1,527 for the current financial year to date. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2020, the number of treasury shares held was 482,908,712 ordinary shares.

On 15 June 2020, a subsidiary of the Company released the retained RM264.9 million (GBP50.0 million) Guaranteed Fixed Rate Bond maturing on 17 September 2029 at an interest rate of 1.5% per annum. The total RM1,288.5 million (GBP250.0 million) bond is now fully issued, with the initial RM1,023.6 million (GBP200.0 million) being on 17 September 2019. The net proceeds of the issuance will be utilised to finance capital expenditure.

The outstanding debts are as disclosed in Note B9.

A7. Dividends Paid

The following dividend payment was made during the financial year ended 30 June 2020: -

	RM'000
In respect of the financial year ended 30 June 2019:	
An interim dividend of 5 sen per ordinary share paid on 13 November 2019	383,765

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.

Notes – continued

Segment information for the financial year ended 30 June 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	633,435	5,766,132	3,486,790	459,754	383,809	10,729,920
Inter-segment elimination	-	-	-	(2,477)	(57,180)	(59,657)
External Revenue	633,435	5,766,132	3,486,790	457,277	326,629	10,670,263
Segment profit/(loss) before tax	56,657	(172,359)	608,258	(261,385)	192,607	423,778
Finance costs						1,081,951
Depreciation and amortisation						1,171,404
EBITDA*						**2,677,133**

*Included is a fair value gain of RM15.3 million and allowance for impairment of RM124.7 million.

Segment information for the financial year ended 30 June 2019:

	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	798,480	6,274,001	3,437,435	875,105	417,308	11,802,329
Inter-segment elimination	-	-	-	(3,158)	(66,455)	(69,613)
External Revenue	798,480	6,274,001	3,437,435	871,947	350,853	11,732,716
Segment profit/(loss) before tax	51,389	(242,055)	739,298	2,390	202,406	753,428
Finance costs						1,130,885
Depreciation and amortisation						1,076,110
EBITDA*						**2,960,423**

*****Included is a fair value gain of RM101.4 million and allowance for impairment of RM155.0 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.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial year ended 30 June 2020, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

(i) On 12 July 2019, YTL Jordan Services Sdn. Bhd. ("YTL Jordan Services") (a wholly-owned subsidiary of the Company) acquired the entire issued share capital comprising one (1) ordinary share in Equinox Solar Farm Sdn. Bhd. ("Equinox Solar"). As a result, Equinox Solar became an indirect subsidiary of the Company.

Equinox Solar was incorporated on 13 February 2019 and is principally involves in the development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services.

(ii) On 24 July 2019, YTL Jordan Services changed its name to YTL Power Resources Sdn. Bhd..

(iii) The following indirect subsidiaries had been struck-off the register of the Companies House in United Kingdom on the respective dates:

On 30 July 2019:

- Wessex Electricity Utilities Limited
- Wessex Property Services Limited
- Wessex Logistics Limited
- Wessex Promotions Limited
- Wessex Spring Water Limited
- Wessex Water Commercial Limited

On 6 August 2019:

- Sword Bidco (Holdings) Limited
- Sword Bidco Limited
- Sword Midco Limited

Accordingly, the above companies ceased to be the indirect subsidiaries of the Company.

(iv) On 20 December 2019, Brabazon Estates Limited ("Brabazon Estates") was incorporated as a wholly-owned subsidiary of YTL Developments (UK) Limited (an indirect wholly-owned subsidiary of the Company). As a result, Brabazon Estates became an indirect wholly-owned subsidiary of the Company.

Brabazon Estates was incorporated in England and Wales as a company limited by guarantee without share capital and is principally involved in the management of real estate.

(v) On 2 March 2020, Taser Power Pte. Ltd. ("Taser Power") was incorporated as a wholly-owned subsidiary of YTL PowerSeraya Pte. Limited (an indirect wholly-owned subsidiary of the Company). As a result, Taser Power became an indirect wholly-owned subsidiary of the Company.

Taser Power was incorporated in Singapore with an issued share capital of SGD1.00 comprising one (1) ordinary share. Taser Power will own and operate energy facilities and services (full value chain of electricity generation including trading of physical fuel and fuel related derivative instruments, and sale of by-products from the electricity generation process).

(vi) On 31 March 2020, Sword Holdings Limited ("Sword Holdings") had been struck-off the Companies Register in Cayman Islands. As a result, Sword Holdings ceased to be the wholly-owned subsidiary of YTL Infrastructure Ltd, an indirect wholly-owned subsidiary of the Company.

(vii) On 31 March 2020, YTL Jawa Energy B.V. (a wholly-owned subsidiary of YTL Jawa Power Holdings Ltd) disposed 720 ordinary shares, representing 40% of the share capital of Bel Air Den Haag Beheer B.V. ("Bel Air"), to YTL Jawa Power B.V. (a wholly-owned subsidiary of YTL Jawa Power Holdings B.V.), for a consideration of USD9,347,457.44. As a result, Bel Air became a 60% owned subsidiary of YTL Jawa Energy B.V. and remains an indirect subsidiary of the Company.

Bel Air was incorporated in Amsterdam, the Netherlands on 26 May 2011 and is engaged in investment holding.

(viii) On 16 June 2020, YTL Finance (Cyprus) Limited ("YTL Finance (Cyprus)") was incorporated as a wholly-owned subsidiary of YTL Utilities Finance Limited (an indirect wholly-owned subsidiary of the Company). As a result, YTL Finance (Cyprus) became an indirect wholly-owned subsidiary of the Company.

YTL Finance (Cyprus) was incorporated in Cyprus with an issued share capital of EUR1,000 comprising one thousand (1,000) ordinary shares of EUR1.00 each. YTL Finance (Cyprus) will serve as a finance company for inter-company group lending into the United Kingdom.

(ix) On 30 June 2020, the Company acquired the entire issued share capital comprising one (1) ordinary shares in Suria Solar Farm Sdn. Bhd..

Suria Solar Farm Sdn. Bhd. was incorporated on 13 February 2019 and will be principally involved in the development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services.

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 2019.

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	Leve1 2 RM'000	Level 3 RM'000	Total RM'000
30.6.2020				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	8,712	-	8,712
- Income funds	-	1,389,043	-	1,389,043
- Equity investments	-	3,607	-	3,607
- Receivables from a joint venture	-	-	1,108,966	1,108,966
Financial assets at fair value through other comprehensive income	49,671	47	162,045	211,763
Derivatives used for hedging	-	76,132	-	76,132
Total assets	49,671	1,477,541	1,271,011	2,798,223
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	13,575	-	13,575
Derivatives used for hedging	-	176,770	-	176,770
Total liabilities	-	190,345	-	190,345

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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
	30.6.2020 RM'000	**30.6.2019 RM'000**	**% +/-**	**30.6.2020 RM'000**	**30.6.2019 RM'000**	**% +/-**
Revenue						
Power generation (Contracted)	84,604	203,984	-58.5%	633,435	798,480	-20.7%
Multi utilities business (Merchant)	1,212,433	1,686,008	-28.1%	5,766,132	6,274,001	-8.1%
Water & sewerage	859,132	892,966	-3.8%	3,486,790	3,437,435	1.4%
Telecommunications business	111,498	237,004	-53.0%	457,277	871,947	-47.6%
Investment holding activities	56,989	94,396	-39.6%	326,629	350,853	-6.9%
	2,324,656	3,114,358	-25.4%	10,670,263	11,732,716	-9.1%
Profit/(Loss) before taxation						
Power generation (Contracted)	13,135	9,642	36.2%	56,657	51,389	10.3%
Multi utilities business (Merchant)	(17,145)	(22,419)	23.5%	(172,359)	(242,055)	28.8%
Water & sewerage	71,504	161,471	-55.7%	608,258	739,298	-17.7%
Telecommunications business	(41,212)	30,726	>-100.0%	(261,385)	2,390	>-100.0%
Investment holding activities	71,708	86,939	-17.5%	192,607	202,406	-4.8%
	97,990	266,359	-63.2%	423,778	753,428	-43.8%

Notes – continued

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded a revenue of RM2,324.7 million for the current financial quarter ended 30 June 2020 as compared to RM3,114.4 million recorded in the preceding year corresponding quarter ended 30 June 2019. The Group profit before taxation for the current financial quarter was RM98.0 million, a decrease of RM168.4 million or 63.2% as compared to a profit of RM266.4 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the quarter ended 30 June 2020 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)
The lower revenue was mainly due to the lower energy payment recorded.
However, the impact on profit before taxation was minimal as the plant operates under a guaranteed capacity payment regime.

Multi utilities business (Merchant)
The lower revenue was primarily due to the decrease in fuel oil price and lower retail volume recorded.
The improvement in loss before taxation was mainly due to the higher fuel oil tank leasing rates, higher retail and ancillary margins and lower finance costs.

Water & sewerage
The lower revenue was primarily due to the decrease in price as determined by the regulator.
The lower profit before taxation was mainly due to the higher allowance for impairment of receivables of RM62.5 million (GBP11.8 million) [2019: RM26.7 million (GBP5.0 million)] resulting from a review of the potential impact of the Covid-19 pandemic on customers and lower revenue as mentioned above. It should be noted that once such impairments are realised the regulatory regime allows for recovery against future tariffs.

Telecommunications business
The lower revenue and higher loss before taxation was primarily due to lower project revenues recorded. However, the EBITDA of this segment is positive.

Investment holding activities
The decrease in revenue was primarily due to the lower interest income.
The lower profit before taxation was principally attributable to fair value changes on investment properties and lower revenue as mentioned above, partially offset by higher share of profits from an associate company in Indonesia.

b) Current Year to date vs Preceding Year to date

Group revenue was RM10,670.3 million for the current financial year ended 30 June 2020 as compared to RM11,732.7 million recorded in the preceding financial year ended 30 June 2019. The Group profit before taxation for the current financial year was RM423.8 million, a decrease of RM329.6 million or 43.8% as compared to a profit of RM753.4 million recorded in the preceding year. The lower profit before taxation was principally attributable to the lower profit in Water & sewerage segment and loss recorded in the Telecommunications business segment, partially offset by better performance in Multi utilities business (Merchant) segment.

Performance of the respective operating business segments for the year ended 30 June 2020 as compared to the preceding year was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

<u>Multi utilities business (Merchant)</u>
The lower revenue was primarily due to the decrease in fuel oil prices and lower generation of units sold, partially offset by higher sales of fuel oil.
The improvement in loss before taxation was mainly due to the absence of a one-off charge for impairment of receivable recognised in the preceding year, lower finance costs recorded in the current period and higher retail and tank leasing margins.

<u>Water & sewerage</u>
The higher revenue was primarily due to the differing weather conditions leading to changes in supply volume and partially offset by a decrease in price as determined by the regulator.
The lower profit before taxation was mainly due to the higher allowance for impairment of receivables of RM113.8 million (GBP21.5 million) [2019: RM70.1 million (GBP13.1 million)] resulting from a review of the potential impact of the Covid-19 pandemic on customers and decrease in price as determined by the regulator as mentioned above. It should be noted that once such impairments are realised the regulatory regime allows for recovery against future tariffs.

B2. Comparison with Preceding Quarter

	Current Quarter 30.6.2020 RM'000	Preceding Quarter 31.3.2020 RM'000	Variance % +/-
Revenue	2,324,656	2,590,473	-10.3%
Consolidated profit before taxation	97,990	115,645	-15.3%
Consolidated (loss)/profit after taxation	(95,142)	81,051	>-100.0%

The lower profit before taxation as compared to preceding quarter was primarily attributable to the lower profit recorded in the Water & sewerage segment, partially offset by better performance in Investment holding activities segment and Multi utilities business (Merchant) segment. The loss after taxation in current quarter was mainly due to the recognition of deferred tax expenses arising from the increase in UK Corporation Tax rate from 17% to 19% as disclosed in Note B7.

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B3. Prospects

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

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

The Group also has a 45% equity interest in Attarat Power Company ("APCO"), which is developing a 554 megawatt (gross) oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year Power Purchase Agreement (including construction period of 3.5 years) with the National Electric Power Company ("NEPCO"), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the Power Purchase Agreement to 40 years (from the commercial operation date of the project's second unit). Construction has commenced on the project with commercial operations for the first unit scheduled to commence in the middle of this year and the second unit in the last quarter of the year. 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 Jordon. 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. YTLPG is expected to perform satisfactorily as it operates under a Power Purchase Agreement ("PPA").

Multi utilities business (Merchant)
The electricity market in Singapore is expected to remain competitive, driven by volatilities across global markets and generation capacity oversupply in the wholesale electricity market. Despite the current challenges, this segment will continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply. The proposed acquisition of Tuaspring announced on 12 March 2020 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 be integrated into existing businesses and upon completion, is expected to contribute positively to the future earnings of the Group.

In response to the Covid-19 pandemic, Singapore implemented heightened safe distancing measures from 7 April 2020 to 1 June 2020, locally known as "circuit breaker" measures. During circuit breaker, Singapore's electricity demand came down due, inter alia, to closure of public premises and workplaces for non-essential services. YTL PowerSeraya is closely monitoring the situation, including customers' electricity consumption and revenue collections. The Singapore government will be cushioning the impact of Covid-19 on businesses, with payouts to help cover employer's manpower costs as well as providing property tax rebates. Electricity demand has since recovered, but is still lower than pre-Covid-19 levels. However, as power generation is an essential service, YTL PowerSeraya is confident of recovery post pandemic.

Water & sewerage

From 1st April 2020 Wessex Water will be working towards 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.

Whilst this next period commencing from 1 April 2020 will see a shift from current levels of performance, the Group remains committed to delivering high quality, reliable and resilient services that are affordable to everyone. It is confident it will continue to deliver outperformance against these new targets.

Telecommunications business

With the existing network in place, this segment will continue to expand its telecommunications infrastructure business and is well positioned to grow its subscriber base with innovative, competitive and affordable products and services. The outbreak of the Covid-19 pandemic and the enforcement of the Movement Control Order by the Government meant that all schools were closed and education disrupted. Arising from this, YTL Communications and FrogAsia collaborated with YTL Foundation, a not-for-profit foundation funded principally by the YTL Group, to launch the Learn from Home Initiative in March 2020 to enable students to learn from home during this period. Under the initiative, YTL Foundation provided free Yes 4G SIM cards with 40GB of data to students registered in government schools and certain tertiary education institutions and also provided free mobile phones and YES 4G internet data plans to students from B40 families, thereby ensuring students have free access to sufficient data for online learning. Online learning resources and lessons were also provided by FrogAsia to facilitate learning from home. In view of the overwhelming response to the Learn from Home Initiative, YTL Communications hopes to be able to continue serving this underserved community with affordable plans.

Despite the challenging outlook, 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 2019

The Auditors' Report on the financial statements of the financial year ended 30 June 2019 did not contain any qualification.

B6. Profit for the period/year

	Current Quarter 30.6.2020 RM'000	Current Year To Date 30.6.2020 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of inventories	237	910
Allowance for impairment of property, plant and equipment	2,953	2,953
Allowance for impairment of receivables (net of reversals)	64,066	120,791
Amortisation of contract costs	1,558	7,842
Amortisation of deferred income	(5,209)	(5,209)
Amortisation of grants and contributions	(12)	(15,166)
Amortisation of intangible assets	27,446	69,248
Bad debts written off/(recovered)	160	(1,879)
Depreciation of property, plant and equipment	185,945	987,653
Depreciation of right-of-use assets	28,155	127,036
Fair value gain on derivatives	(25)	(3,357)
Fair value gain on investments	(24,959)	(21,011)
Fair value loss on investment properties	9,023	9,023
Loss on foreign exchange	6,413	3,994
Interest expense	245,770	1,081,951
Interest income	(2,271)	(10,242)
Net gain on disposal of property, plant and equipment	(1,268)	(7,210)
Property, plant and equipment written off	3,450	9,905
Write back of fuel cost	(9,602)	(9,602)
Write back of liabilities and charges	(5,101)	(3,437)
	=========	=========

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

B7. Taxation

	Current Quarter 30.6.2020 RM'000	Current Year To Date 30.6.2020 RM'000
In respect of current period/year		
- Income Tax	4,202	101,265
- Deferred Tax	188,930	196,910
	193,132	298,175

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 attributable to the UK Corporation Tax rate now remaining at 19% for 2020-21 after repeal of the previous legislation that reduced the rate to 17%. Consequently, the deferred tax balances as at 30 June 2020 were re-measured at that date which resulted in a debit to the income statement of RM162.4 million.

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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:

(i) 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 SGD331,450,000 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. All approvals are expected to be received within three months.

(ii) On 29 April 2020, CIMB Investment Bank Berhad announced on behalf of the Company, the proposal to establish and implement a new employees share option scheme ("ESOS") ("2020 ESOS") for the eligible employees and directors of the Company and/or its subsidiaries ("Proposed ESOS").

The Company has in place an existing ESOS that was implemented on 1 April 2011 with a duration of 10 years which will be expiring on 31 March 2021 ("Existing Scheme").

In accordance with the provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), a listed issuer may implement more than one scheme provided that the aggregate number of new ordinary shares in the Company available under all the schemes (i.e. the aggregate of outstanding options under the Existing Scheme together with options to be granted under the 2020 ESOS) does not exceed 15% of the Company's total number of issued shares (excluding treasury shares) at any one time, in compliance with the requirements under Paragraph 6.38 of the MMLR.

On 18 June 2020, Bursa Securities granted the Company an extension of time until 16 November 2020 to issue the circular in relation to the Proposed ESOS. The Company intends to convene the extraordinary general meeting for the Proposed ESOS on the same day as its forthcoming annual general meeting to be held later this year.

The Proposed ESOS is pending completion.

Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2020 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bank overdraft	-	45,147	45,147
Lease liabilities	325	135,298	135,623
Revolving credit	-	430,872	430,872
Term loans	-	7,356,970	7,356,970
	325	7,968,287	7,968,612
Non- Current			
Bonds	-	16,065,821	16,065,821
Lease liabilities	137	451,204	451,341
Revolving credit	-	446,757	446,757
Term loans	-	3,119,290	3,119,290
	137	20,083,072	20,083,209
Total borrowings	**462**	**28,051,359**	**28,051,821**

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

	Foreign currency '000	RM Equivalents '000
US Dollar	448,618	1,920,085
Sterling Pound	2,436,104	12,827,306
Singapore Dollar	1,977,557	6,074,660

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM318.7 million, for which the Company has provided corporate guarantees to the financial institutions.

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

(a) Derivative Financial Instruments

As at 30 June 2020, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
Fuel oil Swaps		
- Less than 1 year	1,251,463	(119,491)
- 1 year to 3 years	184,282	(5,338)
- More than 3 years	-	-
Currency forwards		
- Less than 1 year	1,154,571	18,806
- 1 year to 3 years	276,176	522
- 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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(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial year ended 30 June 2020 are as follows:

Type of financial liabilities	**Basis of fair value measurement**	**Reason for the gain/(loss)**	**Fair value gain/(loss)**	
			Current quarter 30.6.2020 RM'000	**Current year to date 30.6.2020 RM'000**
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved (unfavourably against)/ in favour of the Group	(2,098)	1,049
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 in favour of the Group	33,367	2,228
Currency options contracts	Spot rate, interest rate and basis curve, volatility and time to maturity	Options has expired	25	3,357
		Total	31,294	6,634

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:

	Current Year Quarter 30.6.2020	**Preceding Year Corresponding Quarter 30.6.2019**
(Loss)/Profit attributable to Owners of the Parent (RM'000)	(143,843)	167,427
	========	========
Weighted average number of ordinary shares ('000)	7,675,300	7,675,302
	========	========
Basic (loss)/earnings per share (Sen)	(1.87)	2.18
	========	========

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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:

	Current Year Quarter 30.6.2020	**Preceding Year Corresponding Quarter 30.6.2019**
(Loss)/Profit attributable to Owners of the Parent (RM'000)	(143,843)	167,427
	========	========
Weighted average number of ordinary shares – diluted ('000)		
Weighted average number of ordinary shares – basic	7,675,300	7,675,302
	========	========
Diluted (loss)/earnings per share (Sen)	(1.87)	2.18
	========	========

* *Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM270.7 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM270.7 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: 28 August 2020