

OUR APPROACH TO VALUE CREATION

Value creation is defined by the Group's Vision and Mission, and is realised through the implementation of the business model, which is driven by circular economy concepts. Ranhill's business strategies and operations draw from its four pillars of sustainability: Environmental Awareness & Preservation, Contribution Towards Social Wellbeing, Inspirational Workplace & Culture and Enhancing Governance Across the Group.

PRESENT GLOBAL / MACRO EXTERNAL CHALLENGES IMPACTING VALUE CREATION AND THE BUSINESS MODEL:



NON-FINANCIAL

Growing non-financial / ESG matters that affect organisations, goals, targets and strategies.



FINANCIAL

Shareholder or investors' demands, capital expenditure considerations, short and long-term business considerations.



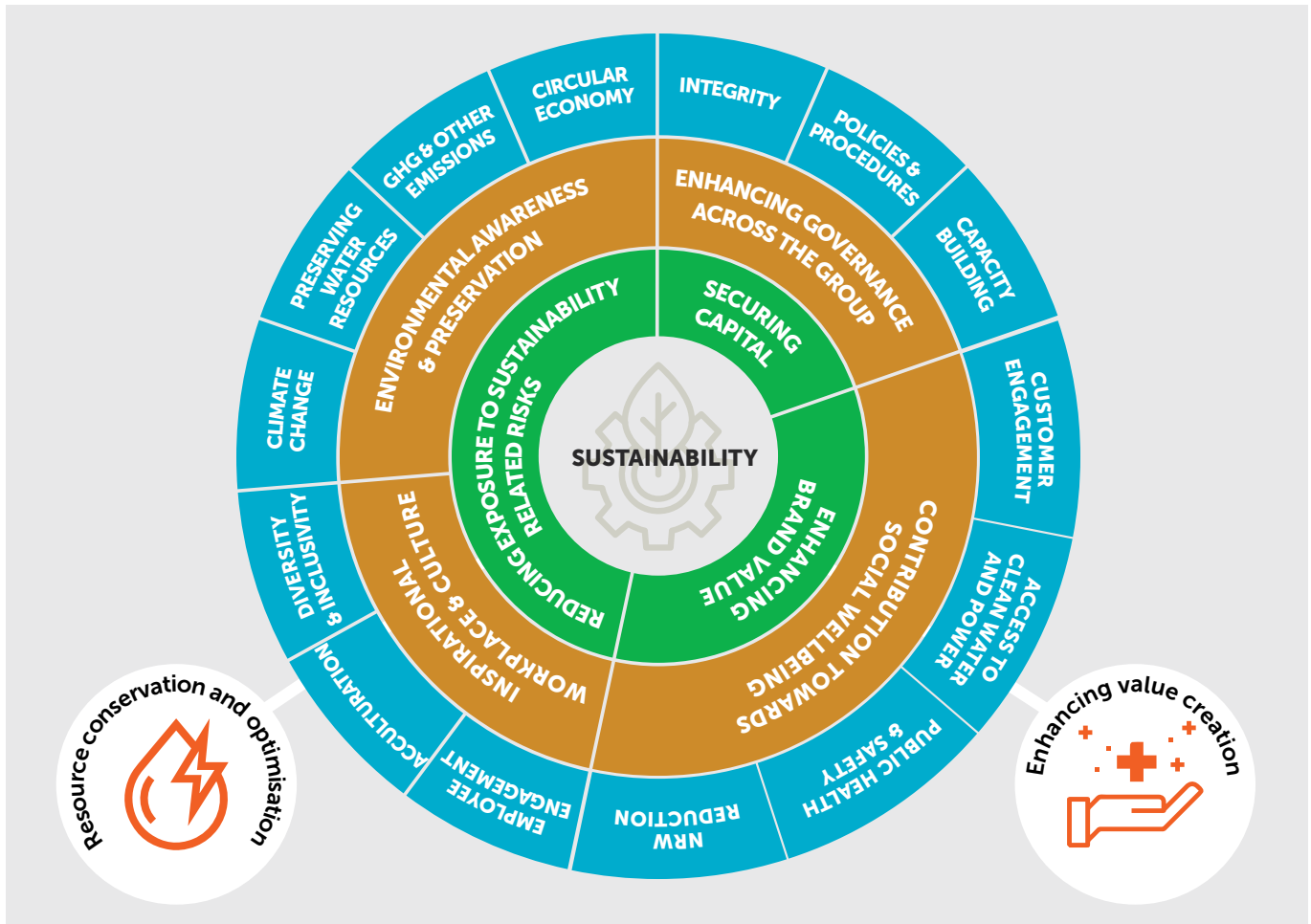
STAKEHOLDERS

Aspirations, concerns, perspectives.



OUR APPROACH TO VALUE CREATION

RANHILL'S RESPONSE IS THROUGH ITS FOUR PILLARS OF SUSTAINABILITY



Creates the following values:



Clean and reliable water supply; contribute to health of communities and economy development



Generation of electricity required for socio-economic development



Develops local supply chains and local employment

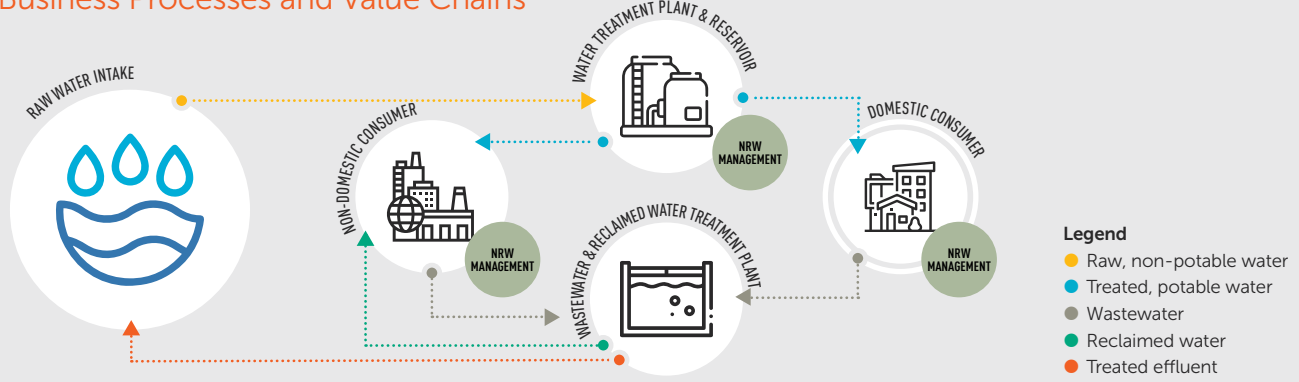


Indirectly spurs infrastructure development, commercial activities and attracts investments

OUR APPROACH TO VALUE CREATION

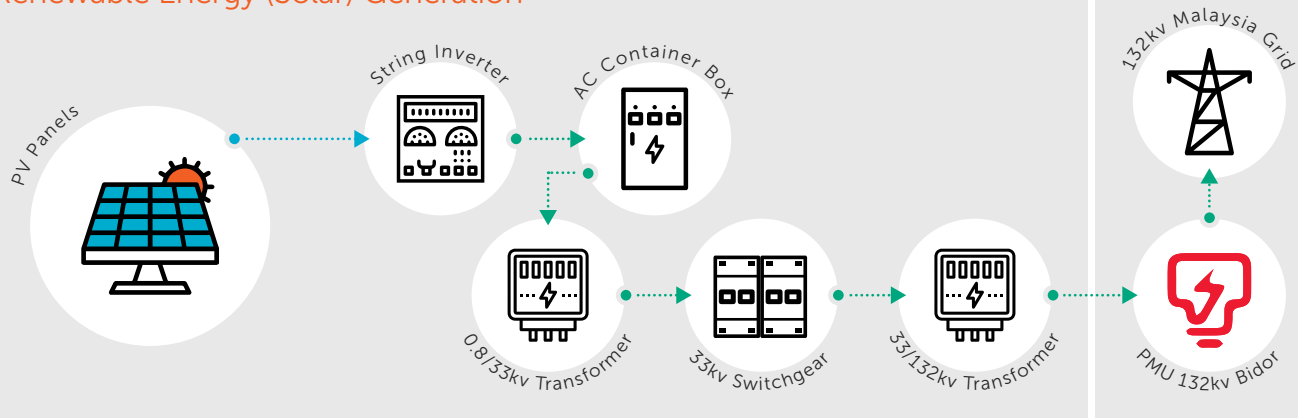
Which addresses material matters towards preserving resources and creating financial and non-financial values for stakeholders.

Business Processes and Value Chains

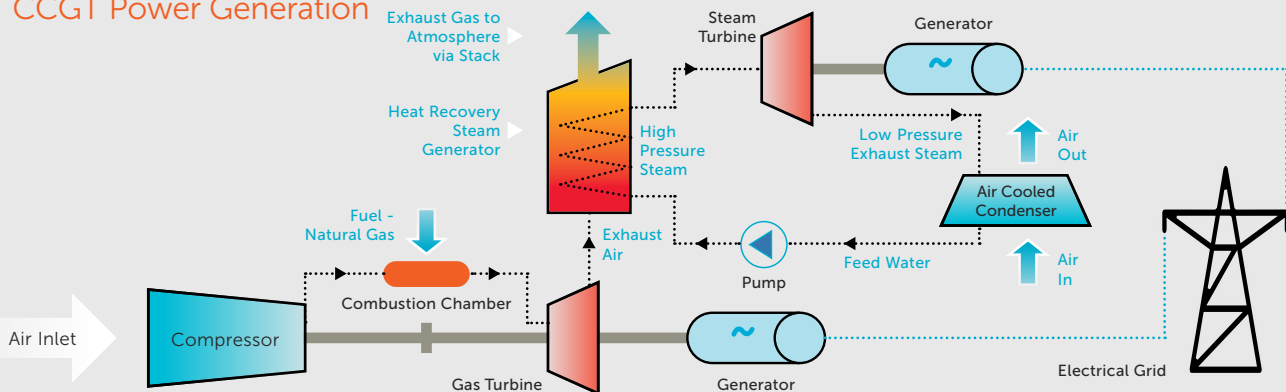


Values created: Revenues, reliable water supply, preservation of water resources, reduction in NRW and contributing to water security.

Renewable Energy (Solar) Generation

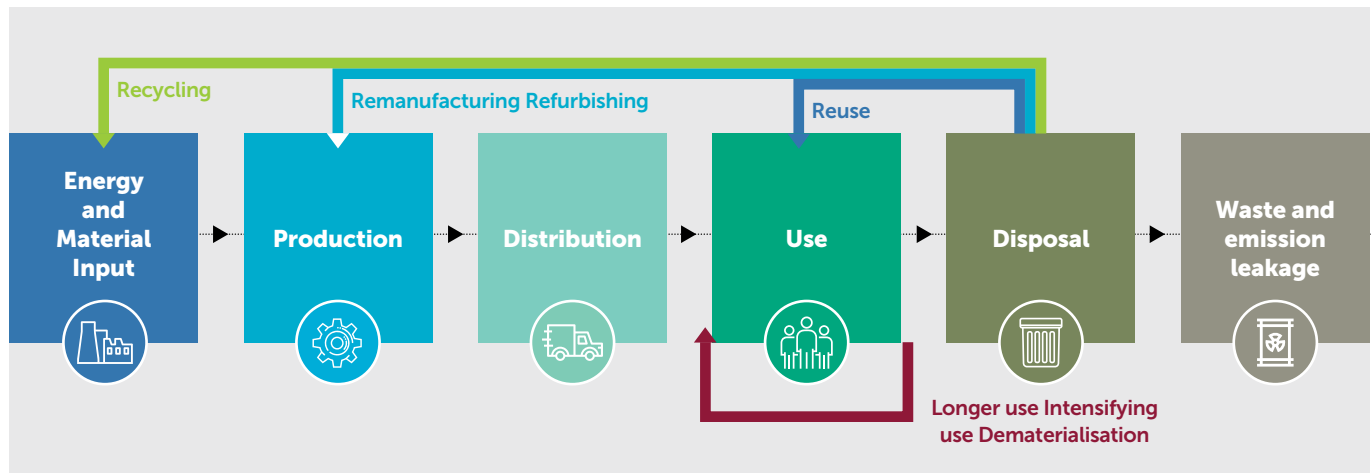


CCGT Power Generation



OUR APPROACH TO VALUE CREATION

The circular economy approach is premised on resources being optimised – recycled and preserved and reused for as long as possible towards extracting maximum value while simultaneously allowing these resources to regenerate for future use.



Ranhill’s approach to value creation is increasingly relevant given the many pressing issues in the world today. These include increasing scarcity of natural resources, climate change, pollution and population and socio-economic growth. The latter two place mounting pressures on finite and already dwindling resources.

The way forward in meeting socio-economic development aspirations is for businesses to adopt more sustainable business models.






Beyond financial values, Ranhill continues to measure its performance and results against selected United Nations Sustainable Development Goals (“UN SDGs”).

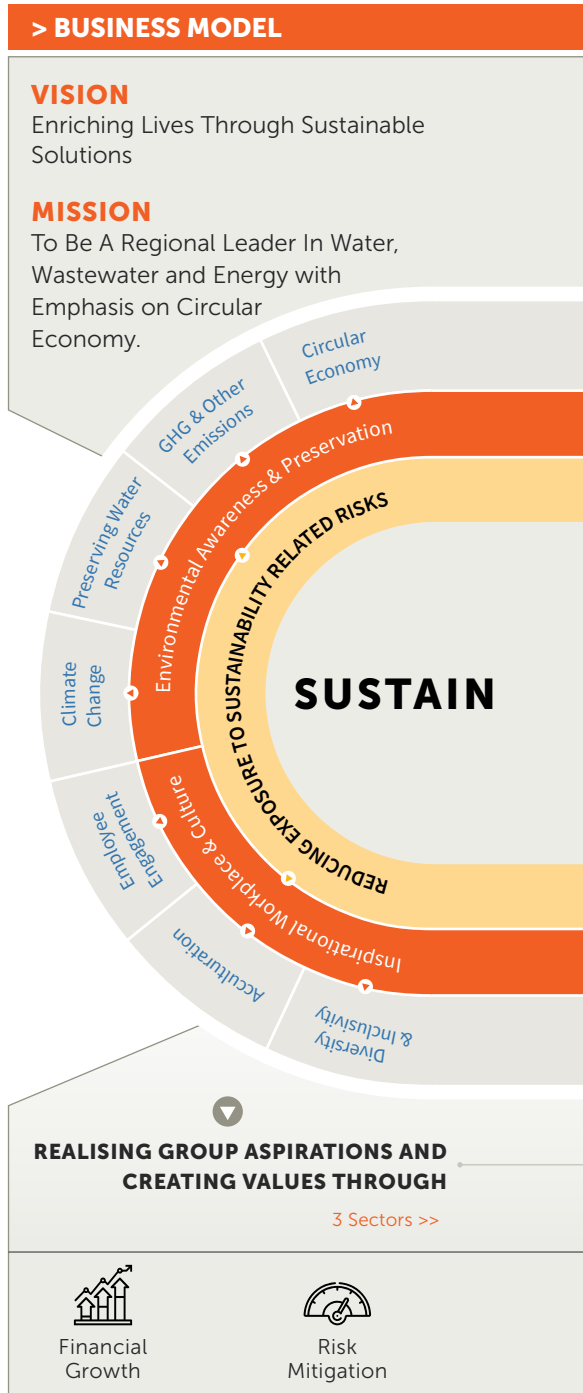
CONTRIBUTION TO THE REALISATION OF SELECTED UN SDGs



OUR VALUE CREATION MODEL

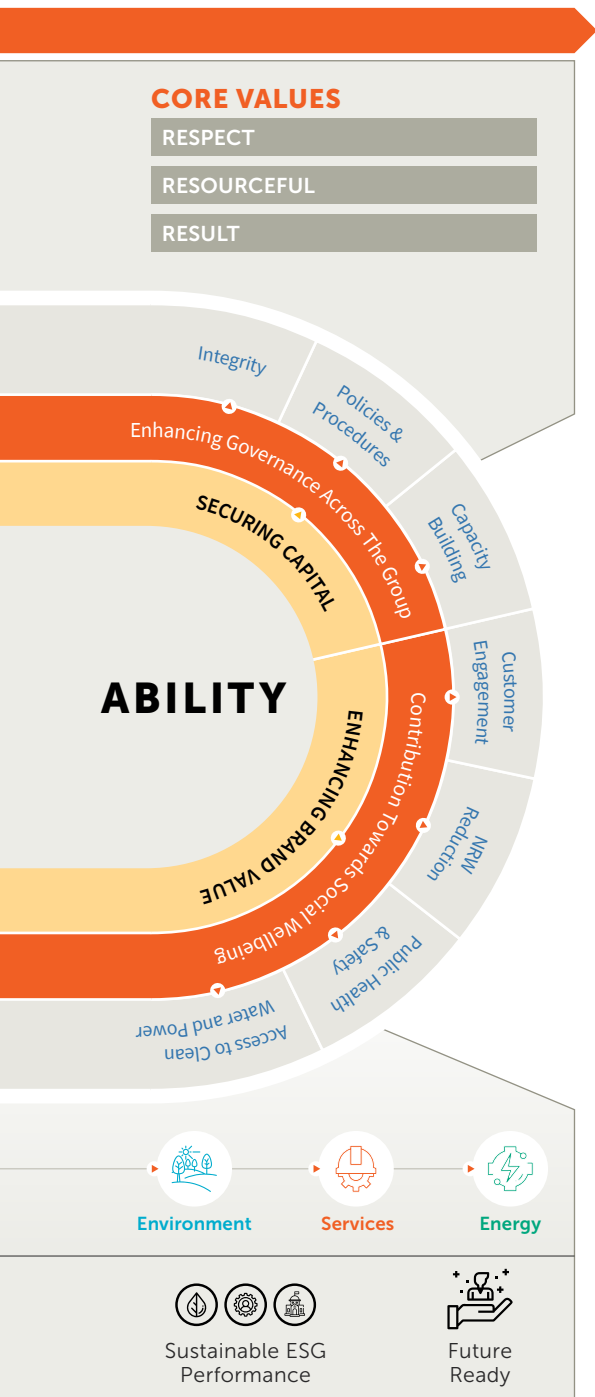
The Ranhill value creation model below provides a summarised view of how the Group’s business model consumes a wide range of capitals or resources and ultimately generates values as provided for in the below mentioned outputs and outcomes. Beyond financial values, the created outputs and outcomes also include non-financial values created, both for the Group and its stakeholders.

> CAPITAL RESOURCES	> INPUTS
 <p>FINANCIAL Shareholders’ equity, debt and reinvested capital, internally generated funds and borrowings are used to fund capex and opex towards creating financial values and to deploy other forms of capital.</p>	<ul style="list-style-type: none"> • RM1,140.6 million CAPEX • RM118.9 million cash and equivalent as at beginning of the year • Equity: RM680.8 million • Total assets: RM3,281.2 million • RM1,044.3 million borrowings • RM964.3 million market capitalisation as at beginning of FY2021.
 <p>MANUFACTURED Physical assets required for business operations such as WTPs and power plants as well as machinery, vehicles fleet and more utilised for the execution of the business model.</p>	<ul style="list-style-type: none"> • 716 reservoirs • 46 WTPs • 2 reclaimed water treatment plant in Thailand • 23,628.5 km pipeline network • Two CCGT fired power plants with total capacity of 380 MW
 <p>HUMAN & INTELLECTUAL The cumulative skills, expertise and competencies of Senior Management and staff as well as proprietary business processes, systems and relevant industry knowledge and experience.</p>	<ul style="list-style-type: none"> • Long-standing industry knowledge, experience and expertise • High employee satisfaction and morale • Empowered organisational culture • Talent development and retention programmes • Succession planning • New technology and innovation
 <p>SOCIAL Harnessing existing relationships with various stakeholder groups to further the interest of RUB and its industries as well as stakeholders for mutual benefit.</p>	<ul style="list-style-type: none"> • Proactive engagements with regulatory and other stakeholder groups. These include investors, the media, customers, and the community • Key focus areas include water conservation and NRW • Exploration of JVs, strategic partnerships to penetrate new markets and tap new business opportunities
 <p>NATURE Consumption of natural and other resources such as land, fossil fuels, water, gas, electricity to deploy and operate the business model.</p>	<ul style="list-style-type: none"> • Electricity consumption (RanhillSaj): 321,100,678.8 kWh • Water consumption: 692,901,991 m³ • Gas consumption: 20,353,976 mmbtu



OUR VALUE CREATION MODEL

The Group's business model, which is driven by the circular economy approach is designed to progressively transition Ranhill to generate increasing positive outcomes and outputs while reducing dependence on finite capitals, such as natural capitals. This is to be achieved by a continued focus on operational efficiencies that reduce resource use, the transition to renewable energy ("RE") and the repurposing of waste products to serve as inputs for the business model.



> OUTPUTS & OUTCOMES	
<ul style="list-style-type: none"> • RM1,530.9 million revenue • RM93.3 million in profit before taxes • RM95.1 million in profit from operations • RM12.7 million in dividend payout • RM699.4 million market capitalisation as at end FY2021 	
<ul style="list-style-type: none"> • 2,474 total of potable water and wastewater treatment capacity • 17 MLD in reclaimed water • 40% of total among IPPs of the state's energy capacity in Sabah state • High customer satisfaction levels for water supply services in Johor • Reduced NRW level of 25.1% 	
<ul style="list-style-type: none"> • 237 new hires • 3,909 workforce strength • Low 6.11% attrition rate • Development of leadership bench • Incorporation of new technologies into business processes 	
<ul style="list-style-type: none"> • Penetration into new markets including Indonesia • Expansion into new sectors and geographic locations • Contribution to industry conducive policymaking 	<ul style="list-style-type: none"> • Improving relationships with the Government and industry regulators • RM0.86 million in water rebates to 83 hardcore and 3,154 poor families
<ul style="list-style-type: none"> • 2,133 MLD of potable water produced • 2,319 GWh of electricity generated • 48,397 kWh of solar energy generated • 64,822 kWh of mini-hydro energy generated • 207,277.8 CO₂e GHG emissions (Scope 1,2 and 3) 	

OUR STRATEGIC SNAPSHOT

ENVIRONMENT SECTOR



BUSINESS STRATEGIES / FOCUS AREAS	<ul style="list-style-type: none"> Continued implementation of COVID-19 SOPs across water operations. Strict adherence to SOP discipline to prevent operational disruptions and to protect staff and stakeholders from risks of infections. Maintaining high level of operations to ensure continued achievement of industry regulator's KPIs. Intensified focus on addressing NRW levels, which include pipe rehabilitation and replacement works, meter replacement and other measures. Initiated chemical substitution programme at several WTPs to reduce operational expenditure ("OPEX"). Implementation of new technologies i.e. AquaSMART to increase water yield, reduce costs and achieve increased efficiencies. Expanding existing and constructing new WTPs. Harnessing Renewable Energy ("RE") to power water operations. Continued business development activities, targeted at the industrial water sector and potential non-revenue water ("NRW") customers. Talent development and retention.
OUTPUTS, PERFORMANCE HIGHLIGHTS & ACHIEVEMENTS, VALUES CREATED	<ul style="list-style-type: none"> Achieved first solar and mini-hydro powered WTPs in Johor. Met or exceeded Suruhanjaya Perkhidmatan Air Negara's ("SPAN") Key Performance Indexes ("KPIs"). Reduction of NRW levels in Johor by 1.65% to 25.1%. Initiated solar farm proposal to fully power water operations in Johor. Implementation of first pollutant removal system ("PRS"). 1,324 water theft cases successfully reported / imposed water charges. Achieved successful migration to a Rehabilitation-Own-Transfer ("ROT") contract, and secured a separate contract upgrade for WWTPs in Amata Industrial Estate, Thailand. Change in government regulations, especially change in policies with regard to wastewater management and reclaimed water in Thailand.
POTENTIAL RISKS, ISSUES & CHALLENGES	<ul style="list-style-type: none"> Continued delays in upward tariff revision. Increasing incidents of water pollution. Extreme weather events caused by climate change and global warming. Dwindling river water supply. Delays in funding for pipe rehabilitation and replacement works. Acts of terrorism, security breach, vandalism, theft, etc. that cause disruption to WTP / WWTP operations. Increasingly poor river water quality leads to increased treatment costs. Change in Government regulations. Challenging incoming water and wastewater quality. Lack of skilled and specialised water industry talents.
OPPORTUNITIES	<ul style="list-style-type: none"> Exploration of water concessions in other states in Malaysia and abroad. Growing demand for water supports stability of revenues and necessitates expansion of / construction of new water assets. Growing interest in wastewater treatment and reclaimed water. Government support to addressing NRW and using greywater.
STRATEGIC PRIORITIES	<ul style="list-style-type: none"> Continued push for upward tariff revision. Continued engagement to realise plans for 100% solar powered water operations in Johor. Develop strategic partnerships with original equipment manufacturer ("OEM") product manufacturers. Continued talent development especially for specialises / niched skillsets. Growing interest in reclaimed wastewater for non-potable, commercial / industrial application.

**OUR STRATEGIC
SNAPSHOT**



ENERGY SECTOR

<p>BUSINESS STRATEGIES / FOCUS AREAS</p>	<ul style="list-style-type: none"> Continued implementation of COVID-19 SOPs across energy operations. Strict adherence to SOP discipline to prevent operational disruptions and to protect staff and stakeholders from risks of infections. Maintaining high level of operations to ensure continued achievement of industry regulator’s KPIs i.e. Equivalent Availability Factor (“EAF”), Available Time (“AT”) and Unplanned Outage Rate (“UOR”). Reduction in gas consumption to reduce OPEX by efficient heat rate management. Continued pursuit of conventional power plant projects in Sabah. Increased efforts to explore RE potentials, both locally and abroad.
<p>OUTPUTS, PERFORMANCE HIGHLIGHTS & ACHIEVEMENTS, VALUES CREATED</p>	<ul style="list-style-type: none"> Secured first Large Scale Solar (“LSS”) project. Achieved total gas consumption reduction year-on-year. Outperformed Power Purchase Agreement (“PPA”) for EAF, AT and UOR. Successful repowering of GT11 turbine at RPI.
<p>POTENTIAL RISKS, ISSUES & CHALLENGES</p>	<ul style="list-style-type: none"> Lack of conventional plant-ups or RE projects in Sabah. Lack of heavy industries to drive up consumption demand. Low power dispatch. Changes in state government policies with regard to the Energy sector in Sabah. Non-renewal of PPAs. Lack of success with the Rugading Tax appeal. Requirement for both Teluk Salut and Rugading to stay connected to the grid for prolonged periods, which can disrupt maintenance schedules.
<p>OPPORTUNITIES</p>	<ul style="list-style-type: none"> Growing number of projects under LSS5. Ability to leverage on the Group’s international presence to pursue potential in Southeast Asia. Increasing appetite among private sector companies to adopt RE, notably solar i.e. rooftop solar. With the liberalisation of the gas supply with the implementation of the third-party agreement, there is potential to explore a wider range of suppliers.
<p>STRATEGIC PRIORITIES</p>	<ul style="list-style-type: none"> Pursuit of potentials in Indonesia. Continue to outperform the PPA for EAF, AT and UOR.

OUR STRATEGIC SNAPSHOT

SERVICES SECTOR



BUSINESS STRATEGIES / FOCUS AREAS	OUTPUTS, PERFORMANCE HIGHLIGHTS & ACHIEVEMENTS, VALUES CREATED	POTENTIAL RISKS, ISSUES & CHALLENGES	OPPORTUNITIES AND STRATEGIC PRIORITIES
<p>Ranhill Water Services Sdn Bhd ("RWS")</p>	<ul style="list-style-type: none"> Supplied 5,000 meters for ongoing meter replacement exercise in Johor. Secured two NRW sub-contracts with a cumulative value of RM161.3 million. 	<ul style="list-style-type: none"> Inability to deliver on contracts due to further lockdowns or delays in regulatory approvals. Lack of skilled and specialised industry talents. 	<ul style="list-style-type: none"> Opportunities to propose and undertake NRW loss management programmes under Approach 2 of the Matching Grant for Johor, Melaka, Selangor, Perak, Penang and Terengganu. Target private sector players and as government agencies for NRW related projects. Develop strategic partnerships with OEM product manufacturers to strengthen supply chain and drive cost efficiencies.
<p>Ranhill Water Technologies Sdn Bhd ("RWT")</p>	<ul style="list-style-type: none"> Secured and completed various wastewater related contracts in Malaysia. 	<ul style="list-style-type: none"> Slower than expected economic recovery dampens interest in tapping reclaimed water for non-potable application. Inability to complete construction works due to pandemic or other disruptive factors. Intensified competition due to many players and new market entrants. Challenging incoming wastewater quality. 	<ul style="list-style-type: none"> Leverage in internal technologies to offer customised solutions and specialised facilities that offer competitive value propositions. Leverage on established presence to pursue potentials in industrial parks in Malaysia and Thailand. Develop strategic partnerships with OEM product manufacturers to strengthen supply chain and drive cost efficiencies.

OUR STRATEGIC SNAPSHOT

BUSINESS STRATEGIES / FOCUS AREAS	OUTPUTS, PERFORMANCE HIGHLIGHTS & ACHIEVEMENTS, VALUES CREATED	POTENTIAL RISKS, ISSUES & CHALLENGES	OPPORTUNITIES AND STRATEGIC PRIORITIES
Ranhill Bersekutu Sdn Bhd ("RBSB")	<ul style="list-style-type: none"> Undertaking EPCC works for the 50 MWac Ladang Bikam Solar PV Plant – Ranhill's first LSS project. Built order book to RM300.0 million on the back of contracts secured in FY2021. 	<ul style="list-style-type: none"> Inability to replenish orderbook. Inability to complete projects within time and budget. Delay in payments from customers, which erodes cash position. Possibility of external factors such as 	<ul style="list-style-type: none"> Continued order book replenishment through active tendering across a wide range of economic sectors. Increased focus on renewable energy infrastructure projects, Continued development and retention of talent and development of technology capabilities i.e. Solar photovoltaic system ("PV") engineering, Building Information Modeling ("BIM") and 3D modelling.
Ranhill Worley Sdn Bhd ("RW")	Secured local major projects and international projects leading to order book increase to RM132.0 million.	<ul style="list-style-type: none"> political instability, disruptions to the global crude oil industry, disruptions due to new COVID-19 strains, etc. may affect overall economic activity and investor sentiments. 	<ul style="list-style-type: none"> Future Energy demand will drive increase of natural gas and liquids production. RW anticipate this demand will result in growth of such projects as part of our core business in Malaysia and overseas. Apply the experience and capabilities to develop winning proposals for Upstream facilities work focusing on greenfield and sustaining capital. Lead with Worley UK North Sea for O&M and target Late Life Assets ("LLA") opportunity in Malaysia. Collaborate with Worley Singapore (Downstream Center of Excellence) to lead study & pre FEED phases for Petrochemicals, Chemicals, bio-fuels related opportunities. Target select opportunities with customers for alternative commercial offering accepting risk/reward. Offering to include Data Centric Delivery and offer alternative digital solutions such as AWP and 4D/5D. Build strong relationships with EPC and owner operators. Low Carbon Hydrogen production is closely linked to countries decarbonization plans and objectives with significant interest as fuel source.

Note: Please refer to the Management Discussion and Analysis section of this report for further details.

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE



Tan Sri Hamdan Mohamad
Chairman and Chief Executive

Dear Esteemed Shareholders,

It gives me great pleasure to present the Annual Report and Audited Financial Statement of Ranhill Utilities Berhad (“Ranhill or “the Group”) for financial year ended 31 December 2021 (“FY2021”).

HIGHLIGHTS

Targets:

- **3,000 MLD** Water, Wastewater and Reclaimed Water Treatment Capacity by Year 2024
- **1,000 MW** Continue to Pursue Energy Target Capacity
- Realizing a Long Term NRW Target Level **of 7.5%**

Revenue:

- Environment sector
RM1,159.0 million
- Energy sector
RM220.9 million
- Services sector
RM151.0 million

The first half of FY2021 was certainly affected by the COVID-19 pandemic. The imposition of full lockdowns, restrictions on business activity and strict standard operating procedures (“SOPs”) continued to impact business and operational activities of all industries and economic sectors.

Essential services industries such as environment, energy and engineering were allowed to operate during the various lockdowns. The strict SOPs put in place had on the whole, impacted operational efficiency and productivity.

Against this immensely challenging backdrop, Ranhill’s business divisions comprising the Environment, Energy and the newly established Services sectors, continued to deliver operational excellence.

Key Insights gained in the past, proved to be invaluable in steering Ranhill’s direction during this turbulent period and with that, Ranhill has continued to deliver business growth and notably highlights from all business divisions.

These highlights include reducing non-revenue water (“NRW”) loss in Johor state to 25.1%, the securing of the Group’s maiden large scale solar (“LSS”) project and the establishment of a new business division, the Services sector. The new division was strengthened with the acquisition of Ranhill Bersekutu Sdn Bhd (“RBSB”), Ranhill Worley Sdn Bhd (“RW”) and includes associate companies of RBSB. The Group is now better positioned to undertake project management contracts and engineering, procurement and construction management (“EPCM”) projects within

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

the infrastructure, transportation, energy, chemical and resource sectors.

FINANCIAL PERFORMANCE

Despite the prolonged pandemic, the Group's environment and energy operations provided stable recurring revenue and earnings as well as steady cash flows. Revenue improved 4.25% year-on-year to reach RM1,530.9 million (FY2020:RM1,468.5 million). Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") improved by 4.5% to reach RM490.6 million (FY2020: RM469.3 million).

Profit before tax and Zakat declined marginally by 2.3% year-on-year to RM93.3 million (FY2020:RM95.5 million) while after tax profits improved 3.12% year-on-year to reach RM66.1 million (FY2020: RM64.1 million).

Despite higher after tax profits, profit after tax attributable to owners of the parent for FY2021 is lower due to share of profits attributed to Minority Interest (to Worley Limited) upon Ranhill's full acquisition of RW.

Further information on our financial performance for FY2021, including cashflow performance, assets and liabilities as well as borrowings is provided in the Management Discussion and Analysis section of this report.

ENVIRONMENT SECTOR

In 2021, non-domestic industrial water consumption reduced by 3.65% due to the impact of COVID-19 lockdowns and restricted business operations for many economic sectors.

The difference between domestic and non-domestic tariffs (under the

present mechanism) means that any decline in non-domestic consumption would affect revenues.

The continued deferment in tariffs, which is overdue for an upward revision since 2015 is also a contributory factor. In a highly regulated business such as water concession, prices are fixed according to a multi-tiered system. Given the present mechanism, water consumption from industrial and business premises are important to support growth in revenues.

Without a tariff revision, Ranhill SAJ Sdn Bhd ("RanhillSaj"), the water operator for Johor state, is dependent on increased water consumption to drive revenues, especially from non-domestic customers.

However, despite the difficulties, encountered, the relaxation in SOPs, notably in the second half of the year and various other factors had enabled Environment sector to register a robust revenue performance of RM1,159 million, 1.7% decrease year-on-year.

Water consumption aside, COVID-19 also impacted operational activities such as active leakage control ("ALC"), pipe rehabilitation and replacement works as well as WTP, construction and upgrading works. There have been delays in approvals for such works, which are beyond the control of RanhillSaj.

However, all efforts have been taken to expedite works, where possible towards addressing NRW loss and sufficient reserve margin. The latter is especially important for many water stressed locations across the state.

Despite the many difficulties and challenges faced, RanhillSaj has continued to persist against the complex landscape met all key performance indicators ("KPIs") set by the industry water regulator, Suruhanjaya Perkhidmatan Air Negara ("SPAN"). RanhillSaj has done so while keeping our workforce and stakeholders safe.



The aeration at Semangar Water Treatment Plant that is often used to eliminate carbon dioxide liberated by the treatment process

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

REDUCTION IN NRW LEVELS

In FY2021, NRW levels decreased by 1.6% to reach 25.1% (FY2020: 26.7%) and complies with SPAN's 2021 target of 26.5% or below.

While FY2020 had seen NRW levels rise due to disruptions to ALC activities, the pace and intensity of efforts were significantly increased in FY2021. As a result, NRW levels reverted to a downward trend in FY2021.

This achievement will assist RanhillSaj to qualify for SPAN's matching grant initiatives. Should the downtrend be maintained, RanhillSaj may be entitled to a matching grant rate of 75% of its investment amount for FY2021.

Cumulatively, investment for the NRW management program in Johor presently stands at RM605.0 million. Total savings achieved stands at 450 MLD. This is significant as approximately RM675.0 million is required for new WTP construction to provide the same capacity of 450 MLD.

WTP construction will also entail an additional production cost of RM493.0 million.

Beyond cost savings, other benefits include reduced commercial losses, reduced water demand from depleting river sources and less electricity consumption and carbon emissions.

PRESERVING WATER RESOURCES

As in previous years, Management continued to address longer-term issues faced by the water supply system in Johor. These chronic issues faced from source to tap are varied and abundant.

Resources to address these challenges are finite, yet RanhillSaj perseveres and even goes beyond its mandate to preserve Johor's rivers and ultimately incoming water quality.

As a private water operator, our responsibility technically only begins from the intake with the onus on other stakeholders to ensure the quantity and quality of raw water supply.

Nevertheless, RanhillSaj has taken it upon itself to deploy a pollutant removal system ("PRS") at pollution prone sites. At a cost of RM6.99 million, the PRS, is designed to treat ammonia levels as high as 500 parts per million ("ppm") to less than 10 ppm.

While 2021 has seen less pollution incidents (attributed to reduced business activity and restricted movements due to COVID-19 lockdowns), there were still cases which had caused unplanned shutdowns of WTPs. Such disruptions affect the ability to supply and sell water and consequently, revenues.

The PRS is part of the solution together with stringent enforcement towards addressing the long-standing issue of river pollution. The system only requires a small footprint area compared to the present biological process of nitrification and de-nitrification.

CONTRIBUTING TO SUSTAINABLE WATER SUPPLY

The issue of depleting river water levels continues to pose a risk for medium to long-term water security. The ongoing construction of the 160 MLD Layang 2 WTP Phase 1, scheduled for completion in June 2022, will increase the reserve margin from 8% to 13% at the surrounding vicinity, stretching from Pasir Gudang to Forest City in Johor.

Climate change remains a risk factor that compounds long-term water supply issues. Climate change has affected rainfall with either prolonged droughts or at times, excessive rainfall affecting the river basin.



Gunong Pulai Reservoir is one of the main sources of the water supply system for part of residents in Johor Bahru and Pontian district, Johor state

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

In recent times, Johor's rivers are seeing salt water flow 30 km - 40 km upstream. This affects raw water quality and will cause shutdown of WTPs, which affects water supply.

RanhillSaj continue to weather challenges faced. Specific details and measures implemented to ensure sustainable water supply are provided in the Management Discussion and Analysis section of this report.

LEVERAGING INNOVATION AND TECHNOLOGY

In recent years, RanhillSaj has looked to technology to drive operational efficiency and sustainability. The establishment of the Technology & Innovation ("T & I") business unit reflects this commitment.

T & I is tasked with ramping up research and development ("R & D") activities and to acquire new water industry related technologies. This includes Green Technologies that supports lower environmental footprint and reduces unplanned WTP shutdowns (mainly due to pollution).

The successful ozone trial project at the Sultan Ismail WTP in Skudai, has provided a potentially viable solution in removing high ammonia content in Sungai Skudai. The findings from the trial are promising in terms of providing a cost effective, environmentally friendly method to prevent plant disruption, when there is higher ammonia content in raw water intake.

However, substantial financial expenditure is required to drive R & D and securing research grants has been challenging.



Ranhill field experts performing Pressure Management by adjusting pressure reducing valve (PRV)

RanhillSaj continue to source for grants from government agencies and private institutions. It also continues to collaborate with multiple parties towards promoting knowledge sharing and technical expertise while increasing access to high-caliber industry talents/ access to talents.

INTERNATIONAL WATER OPERATIONS

In Indonesia, Ranhill with a 75% equity interest, together with its consortium partners comprising Ranhill, Perusahaan Perseroan PT Pembangunan Perumahan TBK and PT Varsha Zamindo ("Consortium") had initiated a source-to-tap Project to provide drinking water to clearly identified service areas in DKI Jakarta, Kota and Kabupaten Bekasi as well as Kabupaten Bogor.

In 2021, the Government of Indonesia upgraded the status of the proposal to National Strategic Project thus giving it priority and importance.

The acceptance of the Feasibility Study ("FS") by the relevant off-takers followed by the Ministry in charge, Kementerian Pekerjaan Umum dan Perumahan Rakyat ("PUPR"), Indonesia, is expected to take place in July 2022. Upon acceptance of the FS by PUPR, the Consortium will be awarded initiator status thereafter PUPR will commence the project tender process.

It aims to extract 7,000 litre per second (605 MLD) of raw water sourced from the Jatiluhur Dam. The Project entails the development of drinking water system that will include the construction of Water Treatment Plant in Jatiluhur Dam, 99 km of treated water transmission pipeline and distribution pipeline to the consumers.

China's Rise of Central China policy had paved the way for large scale migration of businesses and industries from the country's eastern seaboard into central provinces. This resulted in a surge in demand for water and WWTPs in support of these industries.

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

However, over the years, the number of businesses moving into the central region has decreased. In addition, the continued entrants of new players have intensified competition leading to newer concession contracts generally being not as commercially attractive.

We remain committed to our China operations. The Group shall continue to operate its existing water concessionaire operations comprising of 12 WWTPs to exemplary standards. Opportunities for expansion will continue to be carefully assessed towards ascertaining the short, medium and long-term, potentials of such prospects. We shall continue to adopt a prudent approach, to reduce risks.

In Thailand, while interest in wastewater treatment and reclaimed water for non-potable consumption was strong, this did not automatically translate into tenders or projects given the impacts of COVID-19 on the Thai economy.

Overall, incoming wastewater in 2021 increased 6.12% from FY2020 at the Amata Industrial Estate, where subsidiary, RWTT and AnuRAK operates 9 water, wastewater and reclaimed water treatment facilities with a total capacity of 112 MLD.

A key highlight was the conversion of the existing operations and maintenance ("O & M") contract into a 20-year ROT concession. This is for the 10.5 MLD Phase 6 Stage 1 WTP, Amata City Chonburi Industrial Estate. The conversion supports Ranhill's goal of expanding into the long term regulated asset business in Thailand.

Also, on 24 December 2021, AnuRAK was awarded the upgrading contract

for a WWTP from 15 MLD to 20 MLD by Amata Water Co. Ltd.

Upon completion of the upgrading project, Ranhill will move closer to its target of having 400 MLD of water, wastewater and reclaimed water treatment operations to be derived from international operations. Upon completion, the total capacity will be 346 MLD or 86.5% of its target.

ENERGY SECTOR

In Peninsular Malaysia, Ranhill's bid for a 50 MW solar farm project in Bidor, Perak under LSS4 has been successful. Engineering, Procurement, Construction and Commissioning ("EPCC") is presently being undertaken by RBSB.

The plant is expected to be completed and ready for commercial operation by 2023.

Sabah's energy situation continues to face unique challenges. The state has a lack of energy generating capacity during peak periods, but at the same time, comparatively low power demand during non-peak periods. This is unlike Peninsular Malaysia, where even off-peak demand remains relatively high and stable.

The situation had been compounded by COVID-19 lockdowns, which has led to an acute decline in energy demand from the industrial and commercial sectors of the state.

Sabah also has a limited number of power plants, which often results in Ranhill's two power plants, Teluk Salut Power Plant, Ranhill Powertron Sdn Bhd ("RPI") and Rugading Power Plant, Ranhill Powertron II Sdn Bhd ("RPII"), having to operate at extended periods

which affects scheduled maintenance.

Scheduled maintenance is necessary to ensure optimal plant performance. Separately, Sabah's east coast continues to experience a lack of energy supply, which inevitably discourages heavy industries and large-scale investors from operating in the area.

Irrespective of the issues, Ranhill through subsidiaries, RPI and RPII have continued to play a significant role in ensuring that sufficient power is delivered to Sabah. As the state's largest independent power producer ("IPP"), Ranhill is constantly seeking solutions to support the growth of the sector and to meet the state's energy needs. Our energy operations have met all KPIs set by the regulator, Energy Commission ("EC").

RPI delivered a total of 1,145 GWh of electricity to the Sabah grid in 2021. In terms of operational performance, it recorded an average Equivalent Availability Factor ("EAF") of 92.54% for 2021, outperforming the Power Purchase Agreement ("PPA") limit of 87%. RPII delivered a total of 1,174 GWh of electricity and achieved 97.59% Availability Target ("AT"), also outperforming the PPA limit of 94%.

STRENGTHENING CAPABILITIES THROUGH ACQUISITION

A significant highlight in FY2021 was Ranhill's acquisition of RBSB and RW.

Post-acquisition, Ranhill has strengthened its business division, the Services sector. The Services sector comprises RBSB, RW, RWS, RWT and Ranhill Power O&M Sdn Bhd ("RPOM") & Ranhill Power II O&M Sdn Bhd ("RPOM II").

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

This streamlining of our organisational structure harnesses greater business and operational synergy and supports the Group's objective to venture into high-potential, "non-regulated" business sectors. These include business sectors such as EPCM, EPCC, PMC and O&M as well as related services.

It strengthens Ranhill's ability to venture into infrastructure and facilities management, especially of environment and energy industry assets. The Group is better positioned to bid for such contracts both locally and abroad and this paves the way for further expansion into new business areas in new geographical markets.

In addition, the Group's environment and energy assets will be better supported by the expertise and capabilities of the newly formed Services sector.

RBSB's competencies for instance, enhances the Group's design, EPCM, EPCC, PMC and O&M capabilities for RE projects.

The Group's move is strategic as it continue to see a demand growth for niched technical services and expertise. Ranhill can better leverage on the support of its partners such as the Worley Limited and its subsidiaries, collectively (Worley Group), one of the world's largest Energy, Chemical and Resources ("ECR") entity, who has a 50,000-strong global workforce of industry professionals. This 26-years old relationship exemplifies Ranhill's commitment to further introduce world-class expertise and technical capabilities to projects in Malaysia and supporting other Worley's office globally.

Both RBSB and RW are not new entities, having established a presence in Malaysia over decades. RBSB, has been providing its niched skills and expertise to Malaysia since it was first incorporated in the 1973. Both have contributed to the realisation of many landmark projects in the nation.

DRIVING EFFICIENCY THROUGH SUSTAINABILITY

Ranhill has continued to progress on its sustainability journey in FY2021.

The Group's progress on environmental, social and governance ("ESG") performance reflects our conscience as a responsible organisation. Importantly, Ranhill's ESG efforts and results have delivered significant cost savings, various operational efficiencies and other tangible business benefits. Ranhill is a

constituent of the FTSE4Good Bursa Malaysia Index since 2019. We are glad to report that the certification in FY2021 achieved an overall score of 3.3. This is an improvement over the FY2020 overall score of 3.2. Compared to previous year, the score of Environment and Social have shown an improvement especially in Water Security and Labour Standards. For the FTSE Industry Classification Benchmark (ICB) Supersector, the percentile has improved from 52% (2020) to 62% (2021). Meanwhile nationally, we are rated 4 stars by Bursa as the top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell.

Progressively, Ranhill continues to focus on improvement opportunities, thus fortifying the pivotal role of ESG performance to Ranhill.



Damansara-Shah Alam Elevated Expressway (DASH) Penchala Interchange, one of Ranhill Bersekutu's remarkable highway projects

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

In FY2021, Ranhill's efforts to reduce the heat rate produced by its power plants have led to RPI and RPII recording reduction of 8.3% and 8.0% respectively. This contributes to saving in gas consumption and OPEX.

The Group's chemical reduction and substitution programme at 27 WTPs have produced savings of RM1.58 million while ensuring compliance with the industry regulator's KPIs. One of the key highlights was Ranhill's proposal for the development of a solar plant for self-consumption by RanhillSaj. The proposal entails development of a solar farm in Kluang, Johor with the energy produced fed into the state electricity grid and then consumed accordingly by the RanhillSaj's operation.

If approved, this would pave the way for our water operations in Johor to be substantially RE powered. It would further "green" water operations in Malaysia by significantly reducing

carbon emissions and enables a "cleaner" water industry for the future.

The Group has published for the first time, the performance of its power plants for effluent and discharge management. I am happy to say that performance is well within the parameters set by the department of Environment ("DOE") and is best in class.

As in previous years, Ranhill has continued to support the basic right to access to clean water. Free water worth RM0.86 million has been provided via rebates to 83 hardcore and 3,154 poor families across Johor.

Further details on Ranhill's ESG performance are provided in the standalone Sustainability Report for FY2021 ("SR2021") or in the condensed Sustainability Statement of this Annual Report ("AR").

OUTLOOK AND PROSPECTS

The COVID-19 pandemic is entering the transition to an endemic phase, especially after the ramping up of vaccinations across the world. With that, the economies of most countries have reopened and have returned to a degree of normalcy.

Caution is still necessary, given the risks arising from new virus strains. However, the many lessons learnt over the past two years have been well implemented by governments and other stakeholders.

The continued vigilance by all parties to avoid another global or national shutdown should ensure that any effects from a resurgence will not be as widespread and disruptive as before.

Post The UN Climate Change Conference ("COP26"), there has been a renewed commitment by almost all nations, including major economic players that the way forward for driving socio-economic growth must be aligned to the Paris Accord of ensuring global warming does not exceed the average of 2°C limit. The stretch goal to limit the global average temperature to 1.5°C was a welcomed target discussed during the recent Glasgow Climate Pact with a pledge to further cuts the greenhouse gas emissions which causes climate change.

The accelerated shift in the mindset of governments and businesses serve as a continued catalyst for sustainable water supply as well as clean energy.

Ranhill will continue to play a role in spurring the ongoing transition from conventional type development to circular economy models. This includes NRW loss reduction, reclaimed water, source-to-tap projects, RE, circular construction and more.



Tan Sri Hamdan Mohamad (fourth on the right) and Tan Sri Azman Yahya (second on the right) officiating Ranhill LSS Solar Farm with Perak Chief Minister in Bidor, Perak

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

The Group aims to expand its presence across Asia by casting a wider reach together with providing the most efficient and transformative solutions. Solutions centred on generating economic values as well as sustainable ESG performance. Ranhill remains focused on becoming an industry leader for clean water and clean energy.

Rather than wait for tenders to be called, the Group may proactively propose solutions to governments. Going forward, Ranhill's proposals, be it in Malaysia or in Southeast Asia, may also include financing solutions towards addressing the project owner's challenges of securing funding.

Ranhill shall continue to make strides towards realising its target of attaining 3,000 MLD of water, wastewater and reclaimed water treatment capacity by 2024, with 400 MLD coming from international operations. We shall also continue to pursue our energy target of having 1,000 MW of generation capacity.

ENVIRONMENT SECTOR

Based on the revised business plan and internal targets, the NRW target for Johor has been revised to 15% by 2030. Given the progress achieved in FY2021 and in subsequent years, Ranhill is confident of attaining the targeted NRW level by the said timeframe, barring a resurgence of the COVID-19 pandemic or other external circumstances beyond Ranhill's control.

The current pipe replacement and rehabilitation works as well as meter replacement programme will enable the realisation of the NRW target. Firstly, achieving 25.1% by 2025 as mentioned

in the 12th Malaysia Plan ("RMK12") and progressively 15% by 2030.

FY2021 has seen works under Rehab 2018 / 2019 to be completed in the 2nd quarter FY2022. Works for Rehab 2020 is expected to commence within the first half of FY2022. RanhillSaj and RWS is targeting to complete all works by 4th quarter FY2023. Completion of works will yield approximately an additional 66 MLD in NRW savings.

Going forward, RanhillSaj is committed to realising the second term of the Matching Grant (2021 to 2025) provided by the Federal Government via the Ministry of Water and Natural Resources under RMK12.

Under the grant, RM535.0 million is allocated for Approach 1 of the National NRW Programme and another RM1,370 million for Approach 2 (Matching Grant Programme).

Instead these grants will encourage state governments to undertake necessary pipe rehabilitation and replacement works to address high NRW levels. Ranhill, through RWS plans to engage these state governments to leverage on the matching grants to undertake necessary works.

Given the emerging opportunities and potentials, Ranhill will look to diversify beyond typical NRW Management activities towards becoming a one-stop centre for customers. The aim is to provide end-to-end solutions and supplemental capabilities that comprehensively addresses issues within the network from source to tap. This would entail providing pipe network monitoring and assessment, pipe replacement, meter verification and related services.

The interest and demand for wastewater treatment facilities either to meet regulatory requirements or to produce "greywater" for non-potable consumption remains strong. Ranhill, given its proven track record from operations in Amata Industrial Park, Thailand and in Malaysia, is well placed to bid and compete for contracts.

Ranhill also continues to engage all stakeholders to realise its proposal to develop a 75 MW floating photovoltaics ("FPV") plant for self-consumption by RanhillSaj. It would be an industry first and sets a new benchmark for Malaysia and the region. It also showcases the Group's commitment towards achieving more sustainable operations.

While there are opportunities, challenges persist. These include the effects of climate change on water sources and weather patterns, pollution of upstream water sources, delayed pipe rehabilitation and replacement works and overall reduced demand for treating wastewater and reclaimed water due.

Ranhill shall address these and many other challenges by exploring and developing solutions to meet Johor's present and future water requirements.

ENERGY SECTOR

The immediate focus for Ranhill is centred on two key projects. These are the 50 MW solar farm under LSS4 solar, the 75 MW FPV solar farm for self-consumption by RanhillSaj as well as to the energy projects within Malaysia and abroad.

Ranhill's Energy sector will continue to focus on Malaysia and the region to drive business expansion, especially

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE



Tan Sri Hamdan Mohamad spectating the signing of Ranhill LSS Solar Farm launching by Perak Chief Minister, Datuk Seri Saarani Mohamad

in the RE space. The experience gained from its successful LSS4 bid together with the collective skills and capabilities of the Group, enables Ranhill to participate in tenders called under LSS5.

The situation in Sabah requires a multi-prong strategy comprising new plant-ups, especially in the east coast, and simultaneously, to increase efforts to attract large scale economic investments and industrial activities into the state.

The injection of more industrial activity and the development of economic sectors will certainly drive not just greater demand for energy, but also address low non-peak demand. It will also spur growth and create jobs and socio-economic opportunities.

Beyond organic growth driven by RE and plant-ups, growth for the Group's Energy sector may also be driven through strategic acquisition of reliable companies / assets within Malaysia and beyond.

SERVICES SECTOR

The resumption of large-scale, infrastructure development and engineering projects would certainly provide a positive, multiplier effect in stimulating economic growth. These major projects would spur the creation of jobs, support local supply chains and deliver much needed multiplier effects that will positively impact large and small-scale stakeholders.

The ongoing recovery in economic and business activity will support increased

infrastructure development projects. These would be large scale projects such as the High-Speed Rail and MRT3, or niched projects in specific sectors such as treating wastewater, solar / RE projects and others.

One identified focus area for Ranhill's Services sector is the provision EPC and Engineering, Procurement and Constructions management ("EPCM") related expertise for the oil and gas sector, operations and maintenance of late-life industry assets. The EPCM services also include the contract for ExxonMobil work pack preparation, material management, construction planning/reporting, and offshore field engineering services for ExxonMobil's offshore assets.

The Services sector will also explore enhanced oil recovery ("EOR") projects, essentially the revitalisation of marginal oilfields. Many offshore assets in Malaysia are reaching their end-of-life and with that, there are for Ranhill to offer its operations and maintenance solutions.

Competition is expected to be stiff with many players vying for contracts. Still, Ranhill is well positioned to bid for such projects in Malaysia.

Ranhill, through RW can leverage the world-class expertise and technical skills of the Worley Group, a proven industry leader for engineering and design works in the oil and gas sector. Specifically, Worley has proven capabilities in successfully revitalising marginal oilfields in the UK.

On a separate note, RBSB's reputation as a leading engineering and infrastructure solution specialist, has been built on a track-record of having

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE



A Malaysian pride, Kuala Lumpur Convention Centre Twin Towers, as geotechnically and structurally engineered by Ranhill Bersekutu

contributed to various nation-building projects across Malaysia. These include the Kuala Lumpur International Airport, KLCC and reference design of the KL-Singapore High Speed Rail and more.

The aforementioned global expertise coupled with innovative technologies and inherent experience gained from a credible project track record will enable Ranhill to offer cost competitive, value driven solutions. The Group intends to bid for projects where its technical capabilities and industry experience can contribute distinctive value and strategic advantage to project owners.

A NOTE OF THANKS

Firstly, I wish to mention that with Tan Sri Azman Yahya stepping down as Chairman and Independent Non-Executive Director of the Company effective 26 February 2022, I shall assume the role of Chairman and Chief Executive of Ranhill with the continued support of the Board.

On behalf of the Board, I thank Tan Sri Azman for his many years of stewardship of the Board, for his wise counsel for playing a pivotal role in the

continued growth and development of Ranhill. During his tenure, the Group has achieved many significant business highlights and achievements. This includes the achievement of both financial value creation and the creation of stakeholder value.

The Board wishes him well in his future undertakings.

The Board of Ranhill shall continue to strive towards the realisation of our long-term business goals and targets, while laying a clear path towards sustained value creation over the short, medium and long term.

Amidst a year of disruption, uncertainty and rapid changes, one constant for Ranhill was the many staff of the Group who have remained resolute and dedicated to their duties amidst difficult circumstances.

On behalf of the Board, I wish to say thank you to all employees for their professionalism and for working to a high level of personal accountability.

The Board also expresses its appreciation to its many shareholders,

the government ministries and regulatory agencies, its business partners, financiers, clients and customers and other stakeholders who have played a part in our FY2021 journey as a company.

I take this opportunity to thank my fellow Board for their wise counsel and contributions, and the Senior Management team, who have steered the Group forward during another particularly challenging financial year.

We look forward to FY2022 bringing greater opportunities and fresh impetus for Ranhill. The future remains bright, and the world stands on the verge of many promising prospects. Ranhill stands ready to play its part towards building a better, more sustainable world.

Tan Sri Hamdan Mohamad
Chairman and Chief Executive

MANAGEMENT DISCUSSION & ANALYSIS

REVENUE CONTRIBUTORS



Environment sector:

RM1,159.0 million
(FY2020 (Restated):
RM1,179.3 million) 1.7% decrease

Energy sector:

RM220.9 million
(FY2020 (Restated):
RM233.4 million) 5.4% decrease

Services sector:

RM151.0 million
(FY2020:
RM55.8 million) 170.5% increased



Sungai Lebam Water Treatment Plant, one of the water treatment plants that has acquired OHSAS 18001 accreditation

GROUP EARNINGS PERFORMANCE



Profit from Group operations:

RM95.1 million
(FY2020 (Restated): RM81.1 million)

DIVIDENDS DECLARED



0.99 sen per share with total dividend payout of RM12.7 million (FY2020: 2.79 sen per share with total dividend payout of RM29.8 million)

OVERVIEW

Due to the COVID-19 pandemic and various other external developments, Financial Year ended 31 December 2021 ("FY2021") proved to be another challenging year for the global and domestic economy.

While the global economy reversed its negative performance, the much-anticipated rebound in business activity was still far below than initially predicted for 2021.

For 2021, global gross domestic product ("GDP") grew by 6.4%¹ - far lower than the 11.5% initially projected for the year.

Consistent with global trends, Malaysia also returned to positive GDP growth of 3.3%². However, this was significantly lower than the initially forecasted 4.5%.

GDP growth was impacted by continued precautionary behaviour from investors and consumers, subdued labour market conditions and continued decline in private sector consumption. In particular, several economic sectors such as tourism, hospitality, aviation and retail and others continued to be severely impacted by the protracted lockdown.

However, several economic sectors especially those deemed as essential services, (including the Environment and Energy sectors in which Ranhill operates in) remained comparatively stable, year-on-year.

¹ Source: International Monetary Fund ("IMF")

² Source: World Bank

MANAGEMENT DISCUSSION & ANALYSIS

ENVIRONMENT SECTOR

Ranhill’s Environment sector operations comprises the following operating companies: Ranhill SAJ Sdn Bhd (“RanhillSaj”), Ranhill Water Technologies (HongKong) Ltd. (“RWHK”), Ranhill Water Technologies (Thai) Ltd. (“RWTT”), and AnuRAK Water Treatment Facilities Co. Ltd. (“AnuRAK”).

RANHILL SAJ SDN BHD (“RanhillSaj”)



	FY2019	FY2020	FY2021
Revenue (RM’ million)	1,225.8	1,161.5	1,141.4
Pre-Tax Earnings (RM’ million)	264.4*	123.0	129.0
Post Tax Earnings (RM’ million)	187.0*	104.6	96.1

* Included RM110,289,000 being the gain arising from the waiver of lease rental previously paid to Pengurusan Aset Air Berhad (“PAAB”) to be recovered via a reduction of future lease payment over 5 years.

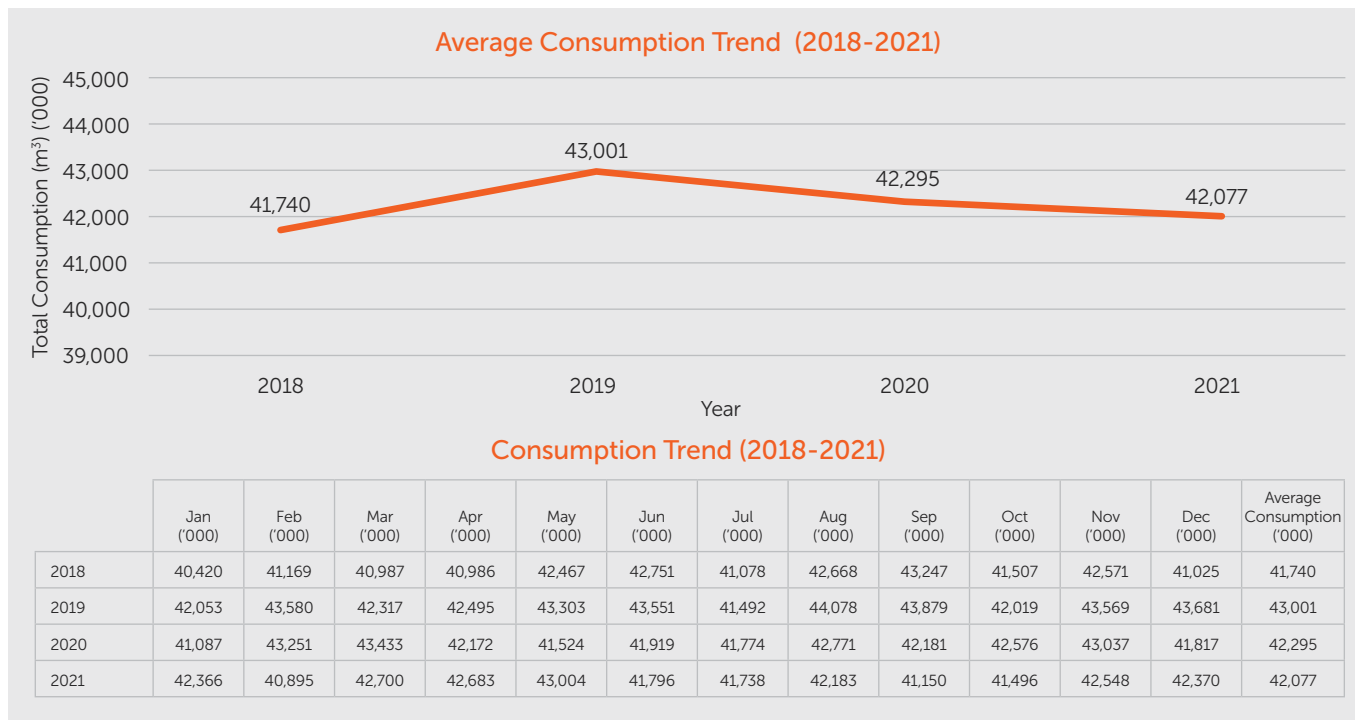
ENVIRONMENT-INTERNATIONAL



	FY2019	FY2020	FY2021
Revenue – Thailand (RM’ million)	24.2	23.9	24.9
Pre-Tax Earnings – Thailand (RM’ million)	0.1	(0.8)	2.2
Post Tax Earnings – Thailand (RM’ million)	0.1	(0.9)	2.0

MANAGEMENT DISCUSSION & ANALYSIS

In the state of Johor where RanhillSaj operates, water consumption declined marginally by 0.5%.



However, the marginal decline of 0.5% water consumption belies the true scenario, where non-domestic (commercial and industrial) water consumption had declined by 3.65% year-on-year.

COVID-19 continued to affect the overall dynamics of non-domestic water demand and supply. The cumulative effect of the various lockdowns, mandatory reduced operating capacity and operating hours and other requirements had disrupted business activities of many commercial and industrial customers. Consequently, water demand from these customers also declined, which impacted revenues.

Given that a significant portion of RanhillSaj’s revenues are derived from non-domestic water sold (under the existing tariff system set by industry regulator, SPAN), declined by 3.65% in consumption from commercial and industrial customers had impacted RanhillSaj’s revenues and consequently the Group.

In response, RanhillSaj implemented various measures to increase operational efficiencies and cost savings. Among these included focusing on NRW loss reduction, initiating a chemical substitution programme to treat water at several WTPs and continued efforts to improve billed consumption.

Cumulatively, these (and other) measures enabled RanhillSaj to register savings of RM14.6 million. Against declining revenues, the cost savings have bolstered earnings.

Notably, in FY2021, bill collection reached a record high as efforts were focused on transitioning more customers to online bill payment. The strategy of employing social media and other channels to encourage customers to pay bills online has contributed to a record high collection efficiency of 100%.

As lockdown restrictions eased in the latter part of FY2021, RanhillSaj redoubled its customer engagement programmes. This was implemented using social media platforms as well as by resuming the “Jom Sembang” program.



Figure 1: Via social media and other channels, despite COVID-19, RanhillSaj continued to engage with customers which enabled a record high bill collection rate

MANAGEMENT DISCUSSION & ANALYSIS

COMPLIANCE TO REGULATORY REQUIREMENTS

Despite the restriction on approvals, workhours and reduced manpower on work sites, RanhillSaj for FY2021, has achieved full compliance for water quality and service levels as per SPAN’s key performance indicators (“KPIs”).

No	Performance Measure	Key Performance Indicator (“KPI”)	SPAN KPI Target	RanhillSaj’s Achievement
1 Water Services Performance				
1.1	Water Supply Coverage	a) Urban Areas (%) b) Rural Areas (%)	100.0% 99.5%	100.0% 99.8%
1.2	Treated Water Quality Compliance Rate	Water Quality Tests That Meet the National Drinking Water Quality (“NDWQ”) Standards (%) a) Residual Chlorine b) E-Coli c) Res. Chlorine & E. Coli d) Turbidity e) Aluminum	: 99.0% 99.9% 99.95% 99.7% 95.0%	100% 100% 100% 99.99% 97.29%
1.3	Continuity of Water Supply	a) Communication pipe failures to be repaired within 24 hours (for cases where services are affected) (%) b) Pipe repair and restoration of supply for pipe below 200 mm diameter to be within 24 hours (%) c) Pipe repair and restoration of supply for pipes size 200 mm up to 600 mm diameter to be within 36 hours (%) d) Pipe repair and restoration of supply for mains exceeding 600 mm diameter to be within 48 hours (%)	95% 95% 95% 95%	100% 100% 99.8% 100%
1.4	Water Pressure Compliance	Minimum pressure of 10 meter at meter point to be maintained for all premise types (%)	99%	99.9%
2 Operational and Economic Performance				
2.1	Non-Revenue Water (“NRW”)	Total of NRW Level for Johor State (%) a) Physical losses volume: Liter/Connection/Day (l/con/day) b) Commercial loss: Number of meters not functioning or stop c) Infrastructure Leakage Index (“ILI”)	26.5% 310.0 0.2% 8.8	25.1% 273.0 0.11% 7.64
3 Operating Cost				
3.1	Operating Cost	a) Operating Cost per (RM/1000 accounts) b) Operating Cost per cubic meter produced: (RM / m ³)	604,103 1.054	519,107 0.9515

In ensuring a continued high level of compliance, RanhillSaj is recruiting and developing more industry talents, equipped with the knowledge and skills to operate WTPs and the water distribution system. This includes providing a wide range of training programmes for staff.

MANAGEMENT DISCUSSION & ANALYSIS

UPGRADING AND DEVELOPMENT OF NEW WATER TREATMENT PLANTS

FY2021 saw continued works on water infrastructure assets in Johor. These comprise building new WTPs, expanding and upgrading existing WTPs and undertaking pipe rehabilitation and repair works.

In many instances, WTP works were hampered by delays in approvals from regulatory and municipal authorities. However, as much as possible, construction works were expedited to compensate for such delays. As a result, almost all WTP projects were completed within the financial year. Several projects were granted extension of time ("EOT"), and these will be completed by end FY2022.

WTP PROJECTS (COMPLETED)

WTP	MILLION LITRES DAILY ("MLD")	LOCATION	PROGRESS OF WORKS
Pagoh (New WTP)	40	Muar, Johor	Completed and commenced in January 2021.
Buloh Kasap (New WTP)	16	Segamat, Johor	Completed and commenced in October 2021.
Sg Lebam (Upgrading of existing WTP)	81.8	Kota Tinggi, Johor	Completed and commenced in January 2021.
Bukit Serampang (Upgrading of existing WTP)	8.0	Muar, Johor	Completed and commenced in January 2021.
Sultan Iskandar Package Plant	20	Johor Bahru, Johor	Completed and commenced in February 2021.

With the completion of the aforementioned WTP projects, total treatment capacity in Johor increased by 5.28% to 2,133 million litres daily ("MLD"). Going forward, the following WTPs will be completed and commissioned for operations in FY2022:

WTP PROJECTS (UNDER CONSTRUCTION)

WTP	MLD	LOCATION	PROGRESS OF WORKS
Sultan Iskandar 2, (Phase 1)	160	Johor Bahru, Johor	48.74% actual progress (to date) and target completion by June 2022
Air Panas C, (Upgrading of existing WTP from 11.46 MLD to 26.46 MLD)	26.46	Segamat, Johor	30.43% actual progress (to date) and target completion by January 2023
Sg. Gembut (Upgrading of existing WTP from 9.09 MLD to 20 MLD)	20	Kota Tinggi, Johor	Pending due to implementation of raw water transfer project from Mawai to Gembut WTP by KASA

Several other WTP projects have been proposed to Pengurusan Aset Air Berhad. ("PAAB"). These are the construction of a new plant at the Semangar WTP (400 MLD), -Semangar Package Plant (50 MLD) and Kayu Ara Pasong WTP (30 MLD). RANHILL awaits approval from SPAN for these projects, after which an open tender will be called for the design and construction of said WTPs.

MANAGEMENT DISCUSSION & ANALYSIS

PIPE REHABILITATION AND REPLACEMENT WORKS

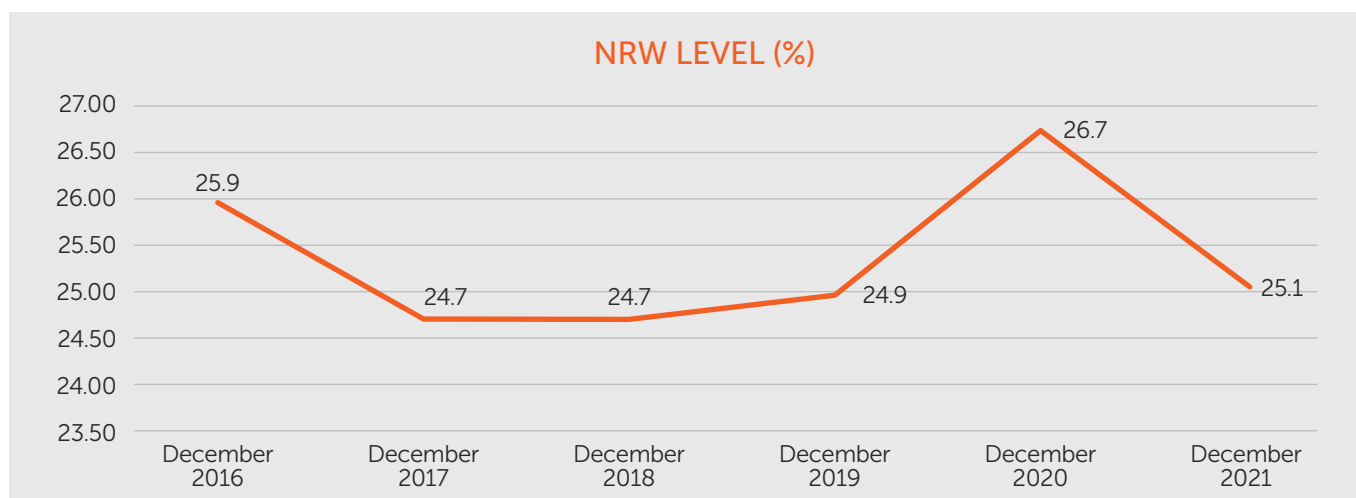
Pipe rehabilitation and replacement works continued to be affected by COVID-19 related lockdowns and strict SOP requirements (limited manpower, restricted work hours, delays in approvals and etc.). Despite these delays, pipe rehabilitation and replacement in FY2021 had improved compared to the previous year. Delayed rehab work under 2018 / 2019 – Package One and Package Two were 66.13% and 84.85% completed respectively. Both packages entail rehabilitating 51.0 km and 139.1 km of distribution and reticulated pipelines. These include both pipelines. Given the present pace of progress, both Packages One and Two remain on track for completion by the first half of 2022.

Continued successful completion of pipe rehabilitation and replacement works will increase opportunities to secure additional budget. Under OP5, the SPAN approved budget for pipe rehabilitation and replacement works amounts to RM620.3 million. Going forward, RanhillSaj has proposed the following pipe rehab works:

YEAR	DETAILS AND STATUS	PROJECT VALUE (RM 'million)
Rehab 2021	Proposal submitted to PAAB and awaiting call for tender in the 1 st quarter of 2022, with project awarding slated for the 3 rd or 4 th quarter of FY2022.	275.0
Rehab 2022	Final List approved by TC on December 2021. Commencement of survey and UDM works to start by the 2 nd quarter of FY2022 followed by two packages to be tendered by end FY2022. Project to be awarded by the 1 st half of FY2023.	165.3
Rehab 2023	Final list approved by TC on December 2021. In the process of reviewing list of pipe rehab locations with submission to PAAB for budget approval expected by the 1 st half 2022. Survey and UDM works to commence by the 4 th quarter of FY2022 followed by a project tendering exercise in the 2 nd quarter of FY2023. Project to be awarded by the 4 th quarter of FY2023.	180.0

NON-REVENUE WATER MANAGEMENT (“NRW”)

In FY2021, the NRW level in Johor decreased 1.65% to stand at 25.1%. This complies with SPAN’s set target of 26.5% or below. It is also a significant reduction from FY2020 is 26.7%.



MANAGEMENT DISCUSSION & ANALYSIS

The 1.65% reduction represents a savings of 52 MLD and was achieved based on FY2021 efforts comprising pipe replacement work, production volume monitoring, active leakage control (“ALC”), meter replacements, as well as pressure management activities and expansion of DMAs across Johor.

As at end 31 December 2021 total NRW savings for Johor (since year 2005), including the 52 MLD achieved in FY2021 stands at 450 MLD. This has enabled an improvement in water reserve margins, particular in water stressed areas such as the Johor Bahru district from 5% to 8%.

On a related note, Infrastructure Leakage Index (“ILI”) decreased by 0.9 to stand at 7.6 (FY2020:8.5) for FY2021. The improvement has enabled Johor to be upgraded under the IWA matrix from Category C to Category B for developing countries³.

FY2021 saw the establishment of 14 additional District Metered Areas (“DMAs”) in Johor, bringing the total to 1,153. A single DMA covers 500 – 1,000 connections and the new total number of DMAs enables 95% coverage of the state.

Specific efforts have been made to enhance the accuracy of DMA monitoring. This included integrating the AquaSMART system with existing systems i.e. the NRW Manager. This integration was successfully completed in December 2021 with the entire integrated system now being controlled from the RanhillSaj Command Centre.

The integration, coupled with the use of Big Data and Artificial Intelligence (A.I) has improved the accuracy of daily DMA analysis. This is beneficial in enabling greater precision in identifying NRW related issues such as leakage levels within problematic DMAs.

The establishment of the aforementioned RanhillSaj Command Centre has proven instrumental in delivering major operational improvements. The Command Centre facilitates immediate detection and rectification of leaks and other issues. Service levels as measured over various KPIs have also improved post establishment of the Command Centre.

Established at a cost of RM1.89 million, the Command Centre features state-of-the-art technology and enables real time data gathering from the entire water network in Johor. Technologies and new methodologies such as net night flow enable more effective detection of problems across the network.

CHEMICAL SUBSTITUTION PROGRAMME

A substitute chemical, Polyaluminium Chloride (“PAC”) was used at 27 WTPs to replace present chemicals for treating water. The substitution exercise provided a 22% reduction in chemical costs for RanhillSaj. This is equivalent to RM1.58 million in savings.

Given the success achieved plans are in the pipeline to expand the chemical substitution programme to remaining WTPs in stages throughout FY2022.

ADDRESSING RIVER POLLUTION

Pollution cases have been on the downtrend over the past three years. COVID-19 has been a factor as reduced business and operational activities have led to less effluents and pollutants being discharged into rivers.

The swift and stringent response from enforcement authorities has also helped to curb pollution incidences.

RanhillSaj continues to be vigilant in monitoring rivers and also areas identified as having higher risks for pollution. These could be rivers that are close to illegal business premises, or activities that lead to untreated effluents being discharged into rivers. Construction sites close to rivers, sand mining and rock blasting activities within close proximity to rivers are also being monitored.

Increasingly, technology is being deployed, which includes the use of online monitoring probes at raw water sources and unmanned aerial vehicles (“UAVs”). These enable quick and early detection of pollution cases while also gathering evidence that supports legal action.

OTHER NOTABLE INCIDENTS

FY2021 saw a major shut down at the Semangar WTP, Kota Tinggi due to fire. This impacted water supply to more than 200 areas at both Johor Bahru and Kulai.

All efforts were taken to restore operations and regular water supply. Interim measures taken included supplying water containers in trucks to affected locations. Regular water supply was restored within 24 hours.

³ IWA index matrix for developing countries; Category B: Potential for marked improvements; consider pressure management; better active leakage control practices, and better network maintenance. Category C: Poor leakage record; tolerable only if water is plentiful and cheap; even then, analyse level and nature of leakage and intensify leakage reduction efforts

MANAGEMENT DISCUSSION & ANALYSIS

WATER THEFT

In FY2021, there was a decrease in water theft reports and complaints received year-on-year. The number of complaints received for FY2021 stood at 3,642, while for FY2020, the number was 6,955 under Section 89 and Section 123 of the Water Services Industry Act 2006 (Act 655).

1,447 cases saw water loss charges being imposed on individuals and companies. Total amount of water loss charges imposed were RM1.45 million for 613,000 m³ of unpaid water.

After more than two years, RanhillSaj's Enforcement Team is well experienced and sufficiently trained to carry out enforcement activities led by SPAN.

TAPPING RENEWABLE ENERGY FOR WATER TREATMENT PLANTS

In March 2021, RanhillSaj completed the installation of rooftop solar photovoltaic ("PV") panels at the Sultan Iskandar WTP. The panels produce 63 kWp of clean energy, sufficient to partially power the WTP.

This was followed by the development of a 73 kW mini-hydro project in July 2021 to provide power to the Gunung Ledang WTP. The Solar and mini-hydro projects enable cost savings as well as reduction in carbon emissions.

TAPPING GROUNDWATER AND ALTERNATIVE WATER SOURCES

RanhillSaj continues to work closely with JMG Malaysia and various other parties to identify groundwater sources particularly at areas where water demand is high and water reserve margin is low. In the past two years, efforts to extract groundwater have been successful at selected sites such as the Lok Heng WTP and Skudai WTP.

In FY2021, groundwater exploration activities were conducted at the Sultan Ismail WTP. The WTP has a groundwater potential of 1.5 MLD. Production wells and abstraction systems will be installed at the site by the first half of FY2023.

OTHER PROJECTS

RanhillSaj continues to propose off river storage ("ORS") as part of a larger, macro strategy to ensure sufficient water supply in Johor. The proposal for the 450 MLD ORS has reached the design stage and said proposal has been finalised by KASA. We expect the federal government will initiate the project likely after 2026.

Another proposal is for raw water transfer from Sg Sembrong into Sg Johor, which is aimed at ensuring sufficient water supply for south Johor till 2060.

Talks are also underway with the Energy Commission ("EC") for the establishment of a 75 MW FPV Solar farm, in Kluang Johor. The solar farm will provide clean energy to power RanhillSaj's water operations. If approved, said project will enable RanhillSaj's operations to be partially RE powered. Ranhill continues to actively engage the EC on the merits of the solar farm project.

INTERNATIONAL DEVELOPMENTS

In Indonesia, Ranhill with a 75% equity interest, together with its consortium partners comprising Ranhill, Perusahaan Perseroan PT Pembangunan Perumahan TBK and PT Varsha Zamindo ("Consortium") had initiated a source-to-tap Project to provide drinking water to clearly identified service areas in DKI Jakarta, Kota and Kabupaten Bekasi as well as Kabupaten Bogor.



Ranhill Water Services technician at his best service; performing pressure monitoring

In 2021, the Government of Indonesia upgraded the status of the proposal to National Strategic Project thus giving it priority and importance. The acceptance of the Feasibility Study ("FS") by the relevant off-takers followed by the Ministry in charge, Kementerian Pekerjaan Umum dan Perumahan Rakyat ("PUPR"), Indonesia, is expected to take place in July 2022. Upon acceptance of the FS by PUPR, the Consortium will be awarded initiator status thereafter PUPR will commence the project tender process.

It aims to extract 7,000 litre per second (605 MLD) of raw water sourced from the Jatiluhur Dam. The Project entails the development of drinking water system that will include the construction of Water Treatment Plant in Jatiluhur Dam, 99 km of treated water transmission pipeline and distribution pipeline to the consumers.

MANAGEMENT DISCUSSION & ANALYSIS

With the general slowdown in business activity due to COVID-19, incoming wastewater quantity was impacted, though, there was still an increase of 6.12% at the Amata Industrial Estate (where RWTT and AnuRAK operate 9 water, wastewater and reclaimed water treatment plant facilities with a total capacity of 112 MLD).

A significant highlight was the contract upgrade for the 10.5 MLD Phase 6 Stage 1 WTP at Amata City Chonburi Industrial Estate. RWT's operations and maintenance ("O & M") concession was converted into a 20-year Rehabilitation-Own-Transfer ("ROT") concession with higher tariffs. The conversion was effected on 26 December 2021.

Scope of works for the ROT concession entail upgrading the SCADA system, upgrading the sludge thickener tank, adding more chemical pumps and a raw water flow meter and replacing mechanical parts and instruments.

Total contract value is approximately RM2.96 million⁴. The 20-year ROT concession augurs well with RWT's aspirations of expanding into the long term regulated asset business in Thailand. Also in Thailand, on 24 December 2021, RWT via AnuRAK was awarded the upgrading contract for the existing WWTP by Amata Water Co. Ltd.

The contract, valued at approximately RM4.0 million⁵ entails the expansion of the WWTP from its 15 MLD capacity to 20 MLD. Upon completion of said projects by June 2022, Ranhill would attain 346 MLD or 86.5% of its targeted 400 MLD of water, wastewater and reclaimed water operations to be derived from international operations.

Total Incoming Wastewater

	Year		
	2019	2020	2021
Plant	Volume (m ³ '000)	Volume (m ³ '000)	Volume (m ³ '000)
Wastewater Treatment Plant, Amata City Chonburi Industrial Estate 24 MLD	4,473	3,605	3,724
Wastewater Treatment Plant, Amata City Rayong Industrial Estate 9.6MLD	2,996	2,588	2,881
Wastewater Treatment Plant, Amata City Rayong Industrial Estate 15MLD	3,458	3,549	3,733
Asian Institute of Technology 1.5MLD	0.5	0.4	0.5
Total Wastewater (Incoming)	10,927	9,743	10,339

While interest in wastewater solutions remained strong, project owners for the most part, chose to defer plans for WWTPs largely due to the pandemic situation. RWT also experienced other challenges such as project delivery issues, labour constraints and supply chain disruptions.

⁴Thai Baht 21.89 million.

⁵Based on exchange rate as at 16 December 2021; MYR1=THB7.9763. Contract value is THB31.95 million.

MANAGEMENT DISCUSSION & ANALYSIS

SERVICES SECTOR

Ranhill's Services sector comprises the following companies: RBSB, RW, RWS, RWT and Ranhill Power O&M Sdn Bhd, ('RPOM') & Ranhill Power II O&M Sdn Bhd ('RPOM II')

RANHILL WATER SERVICES SDN BHD ("RWS")



97 MLD savings under
Johor's P7 contract



726 MLD total savings

	FY2019	FY2020	FY2021
Revenue (RM' million)	82.4	106.6	124.8
Pre-Tax Earnings (RM' million)	11.1	10.1	7.2
Post Tax Earnings (RM' million)	8.4	7.3	5.3

In FY2021, RWS supplied 5,000 meters to RanhillSaj as part of the ongoing meter replacement contract. The new modern, digital meters provide accurate measurement of water consumption.

Separately, a new contract was awarded by RanhillSaj for the installation of Electromagnetic Flow Meters ("EFM") sized 600 mm-1200 mm and Cold-Water Volumetric Meter ("CWM"). EFM installation is generally located at DMA meters for new installations or as replacements for faulty meters.

RWS is also supporting RanhillSaj in the ongoing pipe rehabilitation and replacement works in Johor. The use of internally developed NRW Management systems such as AquaSMART provides RWS with increased efficiency and enhanced capabilities.

Cumulatively, RWS has achieved NRW reduction or savings of 97 MLD based on the August 2019 baseline. This matches the target of 96 MLD to be achieved by 31 December 2021.

Separately, RWS continues to execute its two subcontracts under the NRW Approach 1 Program in Perlis. Both contracts, valued at RM5.95 million in total, entail replacing System Input Volume ("SIV") meters as well as undertaking Geographic Information Systems ("GIS") work and also replacing customer meters. The first project was completed in February 2022, with the second also completed by the first quarter of FY2022.

RANHILL WATER TECHNOLOGIES SDN BHD ("RWT")

	FY2019	FY2020	FY2021
Revenue – Malaysia (RM' million)	30.7	37.0	16.2
Pre-Tax Earnings – Malaysia (RM' million)	0.2	(0.85)	(6.1)
Post Tax Earnings – Malaysia (RM' million)	0.7	(0.5)	(5.6)

MANAGEMENT DISCUSSION & ANALYSIS

On 14 August 2021, RWT received the Letter of Award (“LOA”) from ABNT Global Sdn Bhd for the design and build contract for the conversion of the existing STP to a Small Sewerage Treatment System (“SSTS”), at the Penawar Toll Plaza, located at the Senai-Desaru Expressway. The 0.4 million project is on going with proposed EOT up to April 2022.

In December 2020, RWT secured the 2 MLD Forest City Desalination Plant Package Plant valued at RM8.7 million. Project works are ongoing, with the timeline for completion and handover slated for January 2023.

The design capacity of this desalination plant is to continuously generate 2 MLD of clean water. The plant employs the Ultrafiltration (“UF”) System for pre-filter and a Reverse Osmosis (“RO”) system to separate and remove ions, dissolved solids, pathogen and submicron colloidal matter from seawater.



Forest City Sewage Treatment Plant, Johor Bahru, Johor that built underground is covered with landscape

Another highlight was the completion of the 20 MLD package plant at the Sultan Iskandar WTP. The project received the Certificate of Practical Completion (“CPC”) on 24 February 2021. Awarded by RANHILLSAJ, the project entails capacity expansion

works to meet growing water demand from the Johor Bahru area.

Other completed projects were EPCC works for the 28,000 PE sewage treatment plant for Phase 2 of R & F Tanjung Puteri, Johor Bahru. RWT’s EPCC works involved deploying a Sequencing Batch Reactor (“SBR”) system for the main biological treatment process to treat influent to required standards. Approval from national sewage operator, Indah Water Konsortium (“IWK”) is required prior to commencement of operations, expected in early FY2022.

Also completed in FY2021 was the design and build of the 0.5 MLD portable WTP at Lenggor Plantation, Johor. The project was completed on 28 February 2021. Following are RWT’s active projects, scope of works and expected completion dates.



Amata City Chonburi Plant, Thailand

MANAGEMENT DISCUSSION & ANALYSIS

STATUS OF ONGOING PROJECTS

PROJECT	DESCRIPTION	CONTRACT VALUE	Remark
		(RM' million)	
Capital development works for Syarikat Air Melaka Berhad ("SAMB") via PAAB for the Merlimau WTP	Project awarded by PAAB to upgrade the existing WTP in support the rapid growth and development in Merlimau, Melaka.	14.7	<ul style="list-style-type: none"> Construction is on-going with 15% of works completed. Extension of Time ("EOT") approved until 19 January 2023.
Proposed design, construction, testing and commissioning of a 2.0 MLD desalination plant at Sg. Simpang Arang, Gelang Patah, Johor	Awarded by RanhillSaj, this project utilises the UF-RO filtration system as the main treatment process to provide clean water for irrigation purposes.	8.7	<ul style="list-style-type: none"> Construction is on-going with 2% of works completed. EOT granted till 14 February 2022.
Specialist works for STP upgrading at Penawar Toll Plaza, Senai-Desaru Expressway (E22)	Contracted by ABNT Global Sdn Bhd to provide all necessary works for upgrading the STP at the rest and service area – East and West bound, Penawar Toll Plaza, located on the E22 Senai-Desaru Expressway.	0.4	<ul style="list-style-type: none"> Construction is on-going with 95% of works completed as to date. Target completion revised to 21 April 2022.
Design And Build Contractor To Convert Sewerage Treatment Plant (STP) To Small Sewerage Treatment System (SSTS) at Penawar Toll Plaza	Contracted by ABNT Global for STP conversion as well as obtaining Letter Of Completion from Jabatan Perkhidmatan Pembentungan ("JPP").	0.4	<ul style="list-style-type: none"> Construction is on-going and variation order : RM24,000.00. Proposed EOT up to April 2022.

OTHER NOTABLE DEVELOPMENTS

At the Simpang Renggam WTP, RWT's pollutant removal system ("PRS") continues to be instrumental in ensuring ammonia levels remain below 10 ppm. The employed system requires a smaller footprint area.

Collaboration between industry and academia is the key to catalyse innovation and growth. With this in mind, RWT engaged with local higher institutions of learning to seek out R & D collaborations for green technology and zero discharge solutions. Several proposals were received from University Putra Malaysia ("UPM") on green technology and zero discharge (heavy metal ions removal). These preliminary proposals are presently being studied for commercial feasibility.

MANAGEMENT DISCUSSION & ANALYSIS

RANHILL BERSEKUTU SDN BHD ("RBSB")

<p>Multi-disciplinary engineering firm with a proven 49-year track record.</p> 	<p>Projects in more than 20 countries throughout Asia, the Middle East and Africa.</p> 	 <p>ISO 9001:2015 (Quality Management System)</p> <p>ISO 14001:2015 (Environment Management System)</p> <p>ISO 45001:2018 (Occupational Health and Safety Management System)</p>
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	FY2019	FY2020-2021 ⁶	FY2021 (6 Months)
Revenue (RM 'million)	66.4	66.5	20.3
Pre-Tax Earnings (RM 'million)	7.5	11.5	4.2
Post Tax Earnings (RM 'million)	5.6	12.5	3.3

Despite the many challenges faced amidst a year of dampened economic activity, RBSB achieved its revenue target for FY2021 while bolstering its orderbook to RM300.0 million. This provides revenues and earnings visibility for the next 2 to 3 years.

RBSB was awarded by Ranhill Solar I Sdn Bhd, the Engineering Procurement, Construction and Commissioning ("EPCC") portion of works for the RM162.0 million 50 MWac Ladang Bikam Solar PV Plant. This is Ranhill's first Large Scale Solar ("LSS") plant and will enable RBSB to build its capability to fully undertake construction as well as operations and maintenance ("O & M") of future solar projects.

Project ground-breaking took place on 4 December 2021 and construction works remain on track for completion and handover by 30 June 2023.

RBSB through Ranhill Consulting Sdn Bhd has also secured the construction supervision package (approved at RM21.0 million) for the 66 km Central Spine Road Package 2 upgrade project. RBSB through Ranhill Consulting Sdn Bhd has completed the engineering design portion of works in FY2021.

In East Malaysia, RBSB through Ranhill Consulting Sdn Bhd secured several infrastructure projects during the financial year. These were the Feasibility Study for the integrated water resource flood mitigation project at Kota Belud, Sabah (RM3.5 million) as well as engineering and design for the Sarawak Metro Line 1 for RM3.0 million.

⁶Financial results for FY2020-2021 is presented on an 18 months to June 2021.

MANAGEMENT DISCUSSION & ANALYSIS

Following are more notable contracts secured by RBSB through Ranhill Consulting Sdn Bhd during the financial year:

Project Name	Client / Project Owner	RBSB's Work Scope	Contract Value
Strategic Planning For Sewerage Catchment and Sludge Management for Kota Bahru	Jabatan Perkhidmatan Pembentungan ("JPP")	To update the 10 years old sewerage masterplan to include current development, technology and improved Sludge management practices	RM0.7 million
National Sewerage Master Plan based on the Integrated River Basin Management Catchment	SPAN	To develop a masterplan and management strategy including information technology for SPAN to implement	RM1.4 million
Elmina West Phase 3	Sime Darby Property Sdn. Bhd	Detail design for main civil, structural, mechanical, electrical and telecommunication infrastructure for 641 acres	RM4.4 million
Flood Hazard Map Sg Duyong	Jabatan Pengairan dan Saliran ("JPS")	To generate flood hazard map, flood damage map, flood evacuation map and flood risk map for the Sungai Duyong River Basin in Melaka	RM0.8 million
Principal Consultant to Carry Out Detailed design and Supervision for Tok Bali Industrial Park	East Coast Economic Region Development Council (ECERDC)	Master Plan and Detail Design and Construction supervision for the development of Infrastructure for the Industrial Park	RM5.3 million
Engineering Consultancy for a New Check Dams at Sg Bertam	TNB Research	To design and provide construction supervision for check dams to trap and remove sediments from the river along with the design of the dumping ground	RM0.7 million

RANHILL WORLEY SDN BHD ("RW")

Over **25-year** track record for engineering, design, management and consultancy services to the energy, chemicals, and resource sectors



International project portfolio including projects in **Malaysia** and projects globally includes **Middle East, North Sea UK, Myanmar, Vietnam, Africa, China** and **India**



World class organisational culture and global operating standards



MANAGEMENT DISCUSSION & ANALYSIS

	FY2019	FY2020-2021 ⁷	FY2021 (6 Months)
Revenue (RM 'million)	137.6	304.4	86.9
Pre-Tax Earnings (RM 'million)	13.4	33.6	6.8
Post Tax Earnings (RM 'million)	14.0	34.3	34.6*

The first half of FY2021 saw continued delays and deferment by oil and gas majors as COVID-19 continued to impact global demand for crude oil and gas. However, by the second half of FY2021, the momentum in exploration and production ("E & P") activity began to recover as prices began to improve on the back of an uptick in global demand. Consequently, there was a resumption in bidding activity for upstream projects. With the increased activity, RW pursued suitable tenders and successfully secured several new contracts as well as extensions to existing contracts. RW also continued to exemplify operational excellence – executing projects on hand on time and within costs.

Significant contract awards secured in FY2021 were engineering works for TIMI Offshore's Well Head Platform ("WHP") with Brooke Dockyards, engineering works for Santos Dorado Australia with Sapura, and onshore facilities work with Saipem for design completion of Petronas's third floating liquefied natural gas vessel. The project is also known as PFLNG Tiga (Three) or the ZLNG project.

As at end FY2021, RW's order book stood at RM132.0 million on the back of new contracts and contract extensions from customers. Other contract awards and contracts extensions are provided as below:

Project Name	Client / Project Owner	RW's Work Scope
ATB PMC Services: Tanjong Bin	ATB Sdn Bhd	PMC Services
CPOC WO 01 FEED Phase 6	Petronas Carigali Sdn Bhd	Front End Engineering Design
Samarang Redevelopment Phase 4	Petronas Carigali Sdn Bhd	Engineering Services
TREX Project	Kejuruteraan QKS Sdn Bhd	EPCC
MLNG - MR2 Project	Petronas Carigali Sdn Bhd	Conceptual Engineering
Kancil	Aspac Lubricants (Malaysia) Sdn Bhd	EPCM

⁷ Financial results for FY2020-2021 is presented on an 18 months to June 2021.




* There is a utilisation of business losses not previously recognised as deferred tax asset amounted to RM27.8 million.

MANAGEMENT DISCUSSION & ANALYSIS

ENERGY SECTOR

Ranhill’s Energy sector comprises the following companies:

RANHILL POWERTRON SDN BHD (“RPI”) & RANHILL POWERTRON II SDN BHD (“RPII”)

<p>380 MW power generating capacity from two CCGT fired power plants</p> 	<p>Largest IPP in Sabah, producing 40% among IPPs of the state’s energy capacity</p> 	<p>Provides Electricity to 1.2 million population in Sabah</p> 
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	FY2019	FY2020	FY2021
Revenue (RPI) (RM’ million)	136.4	121.1	111.0
Revenue (RPII) (RM’ million)	116.6	112.3	106.9
Post-Tax Earnings (RPI) (RM’ million)	8.4	1.6	1.4
Post-Tax Earnings (RPII) (RM’ million)	(20.4)*	1.6	8.4

* Includes Deferred Tax Asset (DTA) reversal of about RM14 million.

Despite lockdowns and other economic and social restrictions attributed to the COVID-19 pandemic, Ranhill’s Energy sector comprising Ranhill Powertron Sdn Bhd (“RPI”) and Ranhill Powertron II Sdn Bhd (“RPII”), continued to see stable demand for power in FY2021. RPI own and operates the 190 Megawatts (MW) Teluk Salut Power Station while RPII own and operates the 190 MW Rugading Power Station.



Ranhill Powertron Sdn Bhd (“RPI”) own and operates the Teluk Salut Power Station



Ranhill Powertron II Sdn Bhd (“RPII”) own and operates the Rugading Power Station

MANAGEMENT DISCUSSION & ANALYSIS

Both power stations supplied the state grid with total electricity of 2,319 GWh. As Sabah's largest independent Power Producer ("IPP"), Ranhill has continued to play a significant part in meeting the state's energy needs.

As in previous years, RPI and RPII surpassed the annual average availability target of 87% and 94% respectively. Both power stations have again continued to meet all performance KPIs set by SESB. This includes Equivalent Availability Factor ("EAF"), Available Time ("AT") and Unplanned Outage Rate ("UOR").

RPI	FY2019	FY2020	FY2021	SESB's KPI
Equivalent Availability Factor	95.07%	92.89%	92.54%	87%
Unplanned Outage Rate	0.99%	2.56%	1.65%	4%
Total electricity delivered to the grid	1,276 GWh	1,155 GWh	1,145 GWh	1,129 GWh

RPII	FY2019	FY2020	FY2021	SESB's KPI
Available Time	93.57%	95.86%	97.59%	94%
Unplanned Outage Rate	2.85%	2.96%	1.77%	4%
Total electricity delivered to the grid	1,058 GWh	1,145 GWh	1,174 GWh	1,168 GWh

On 7 May 2021, RPI completed the major inspection on the GT11 turbine, which has been certified fit for repowering until 2037. Efforts are ongoing to obtain approval from Jawatankuasa Perancangan dan Pelaksanaan Pembekalan Elektrik dan Tariff ("JPPPET") for the Repowering, which will extend the current PPA from 2028 to 2037.

Plans are in the pipeline to increase the efficiency of the existing turbine system to realise increased fuel savings that will in turn support reduced costs and reduced carbon emissions. However, this will require additional CAPEX. The trade-off between short-term CAPEX and medium to long-term savings is being carefully considered.

However, considerable savings in gas consumption have been achieved through efforts to reduce the heat rate produced by both power plants. In FY2021, the average Heat Rate reductions achieved for RPI and RPII is 8.3% and 8.0% respectively.

EXPANSION INTO RENEWABLE ENERGY

In FY2021, Ranhill secured the 50 MW LSS 4 solar farm, located at Ladang Bikam, Perak. The PPA was signed in September 2021 and EPCC works has been awarded to RBSB. This is the first LSS project for the Group and paves the way for future projects. Construction of the solar farm has commence in January 2022 with the expected Commercial Operation Date ("COD") slated for June 2023, six months earlier than the PPA completion date of 31 December 2023.

The Energy sector is preparing for the bid for 100 MW Combined Cycle Gas Turbine ("CCGT") tender in West Coast Sabah. The tender was released on 28 February 2022. Ranhill is preparing a submission for the bid with a closing date on 29 April 2022.

MANAGEMENT DISCUSSION & ANALYSIS

OTHER DEVELOPMENTS

The Energy sector has continued to pursue regional opportunities, both for conventional and RE based energy projects. Interest remains strong across Southeast Asia, despite the pandemic. Among markets explored were Indonesia, Thailand, Brunei, India and Bangladesh.

On 28 May 2021, Ranhill’s appeal to the Ministry of Finance (MOF) on the 7-Year Time Limitation of Investment Allowances for Special Sector (IASS) was rejected. However, a further appeal has been submitted to MOF of which MOF via letter dated 2 February 2022 promise to re-look our appeal. RP continues to actively engage the ministry to justify the merits of the appeal. Discussions are ongoing and the Group remains positive of a favourable response by FY2022.

BUSINESS AND OPERATIONAL RISKS

ENVIRONMENT SECTOR	
RISK	MITIGATION MEASURES
Reducing rainfall and river water levels	Continued focus on addressing NRW loss via pipe rehabilitation and repair works, ALC and DMA related activities. Alternative water sources such as groundwater and ORS continued to be proposed to mitigate against dwindling river water supply. Raw water transfer from the Sembrong River into the Johor River will support sufficient water levels at the latter.
Raw water contamination and pollution	RanhillSaj continues to undertake close monitoring, working concertedly with relevant authorities. Technological innovations such as UAVs and online monitoring probes are also deployed to detect pollution incidents. The dedicated enforcement team continues to spearhead pollution detection activities. Where possible, legal action is taken on polluters.
Delays in pipe rehabilitation and pipe replacement works	RanhillSaj continues to urge SPAN and the state government to accelerate approvals for the necessary works. The company continues to present a strong business case that shows how significant reductions in NRW can be achieved through pipe rehabilitation and pipe replacement works. RanhillSaj has also introduced best practices for HDPE pipe installations to facilitate a highly effective pipe replacement programme. In addition, RanhillSaj through RWS has incorporated new technologies such as the cloud based AquaSMART online monitoring system.
Continued delays in tariff revision	Continued engagement with SPAN and other stakeholders including the State and Federal governments to provide approval for the tariff revision.

MANAGEMENT DISCUSSION & ANALYSIS

RISK	MITIGATION MEASURES
<p>Change in policies with regard to wastewater management, especially reclaimed water (Thailand)</p> <p>Despite increasing industry interest, any changes in policies by the government of the day, may dampen demand for wastewater and reclaimed water facilities.</p>	<p>Awareness and interest in more eco-friendly methods in industrial parks including tapping reclaimed water remains on an uptrend. Barring any unforeseen circumstances or a resurgence of COVID-19, the prospects remain positive.</p> <p>RWT will continue to leverage its local partnerships and networks, including engagement with governments towards managing risks related to changes to policies and / or the political environment. Risks are mitigated to large extent, by the long tenure for concessions, minimum offtake period and clause of changes in legislation as stipulated in contract agreement from related parties.</p>

SERVICES SECTOR

RISK	MITIGATION MEASURES
<p>Inability to complete projects within time and budget</p>	<p>Continue to expedite work progress using technology and innovation. Planning for possible COVID-19 lockdown scenarios due to new virus strains, including EOT agreements with project owners.</p>
<p>Failure to implement digitalisation</p>	<p>Establishment of Digital Leadership Team to oversee planning and implementation. Continued training and development of personnel.</p>
<p>Inability to secure share of work resulting in reduced sales and profit targets</p>	<p>Robust sales and business planning to support broad funnel / backlog of work. Focus on differentiated offerings to achieve optimum commercial propositions.</p>
<p>Delay in payments from customers, which erodes cash position</p>	<p>Management's diligent focus on prompt cash collections and driving expedited progress of works. Strengthen relationships with executive at EPC and with Operators. Negotiate preferred contract & payment terms</p>

ENERGY SECTOR

RISK	MITIGATION MEASURES
<p>Operational Risks</p>	<p>Given the lack of plant-ups in Sabah, Ranhill's power plants are required to stay connected to the grid for extended periods of time. This reduced opportunities to undertake maintenance works and may lead to operational issues including outages.</p> <p>In mitigating such risks, the Group conducts regular inspection to detect operational irregularities through 24-hour online monitoring of operations via the plant Distribution Control System.</p> <p>Furthermore, sufficient spare parts are stored for any eventuality while our power operations can also leverage on the support services of original equipment manufacturer companies.</p> <p>The Company also supports continuous training for maintenance staff, in constantly improving troubleshooting skills and capabilities, especially in addressing critical breakdown of power plant equipment.</p>

MANAGEMENT DISCUSSION & ANALYSIS

OUTLOOK AND PROSPECTS – ENVIRONMENT SECTOR

The demand for potable water is expected to be on the uptrend as industrial sectors and businesses return to full operations with the resumption of business activities as the COVID-19 pandemic becomes endemic. Barring a resurgence due to new virus strains, growth in consumption demand is expected to progressively return to a pre-pandemic trajectory.

This augurs well for RanhillSaj as increased demand, especially from non-domestic customers would support stronger revenues. Increased demand would necessitate increased production however, which could impact reserve margins and in the medium to longer term, place increasing pressure on finite water sources.

This is especially evident given that Johor's rivers continue to be affected by changing rainfall patterns, pollution and various other issues. Increased demand may also impact present NRW levels as more water is abstracted and supplied to customers.

However, in the short-term, the ongoing recovery in consumption demand is certainly beneficial given that tariffs have remained unchanged. It is hoped that the pressing and long-delayed matter of the upward tariff revision is addressed in FY2022.

Separately, RanhillSaj is committed to reducing NRW levels to 15% by 2030 as mentioned in the 12th Malaysia Plan ("RMK12"). Working together with RWS, the aim is to expedite current pipe replacement and rehabilitation works and to complete the meter replacement exercise for Johor.

Under OP5, RanhillSaj will continue to focus on building new WTPs and upgrading or expanding existing WTPs. Efforts will also be redoubled on pipe rehabilitation and rehab works across Johor.

It is hoped that swift budget approvals for proposed WTP works will be provided in the coming financial year. Budgetary approvals will enable works to be carried out on the Semangar WTP (400 MLD), Semangar Package Plant (50 MLD) and the Kayu Ara Pasong WTP (30 MLD).

SERVICES SECTOR

RANHILL WATER SERVICES SDN BHD ("RWS")

FY2022 begins on a positive note for RWS with the award of two NRW sub-contracts.

The first is the RM156.8 million Johor NRW sub-contract (Phase 7). The NRW sub-contract will run until December 2023 and contributes significantly to RWS' revenues for FY2022. It will also support RanhillSaj's ongoing efforts to reduce NRW levels in Johor.

The second sub-contract, valued at RM4.5 million is for NRW works in Pahang and was awarded by Jejak Teknologi Sdn Bhd. The main client for this NRW sub-contract project is the Ministry of Environment and Water and is scheduled for completion by September 2022.

Under RMK12, the federal government provides funding for NRW works through matching grants for state water operators with lower than 40% NRW level (Approach 2). The matching grants should encourage these water operators to undertake the much needed works to reduce NRW. This includes pipe rehabilitation projects, meter replacement exercises active leakage control and more.

The aforementioned scenario presents RWS an opportunity to propose comprehensive NRW programmes to all state water operators categorised under Approach 2 of the Matching Grant programme. These states are

Johor, Melaka, Selangor, Perak, Penang and Terengganu.

RWS has also secured three sub contracts under Approach 1 of the National NRW programme. These sub contracts are for the state of Perlis and Pahang covering meter replacements, GIS and NRW Management Software scope of works. These sub contracts are scheduled for completion in 2022.

Aside from state governments, RWS will also engage government ministries and agencies as well as private sector players to undertake NRW related projects. The former encompasses PAAB pipe replacement and pipe rehabilitation contracts, as well as non-PAAB related projects such as those from the Public Works Department ("PWD") and the Department of Drainage and Irrigation.

Potential private sector clients include industrial parks, universities, airports and maritime ports with the goal to offer auditing services to determine NRW loss levels at said locations or facilities. RWS has been actively participating in PAAB issued tenders for Pipe Replacement works and has so far secured four contracts under the scope of works.

The use of internally developed NRW Management Systems such as AquaSMART, provides RWS with increased efficiency and enhanced capabilities, both of which will be advantageous when bidding for contracts.

Other opportunities include marketing the company's patented in-house NRW Management Software platform to water operators nationwide. Several water operators have already expressed interest. The success of the software in Johor has provided a tangible case study which supports RWS' efforts to market the software to other water operators.

MANAGEMENT DISCUSSION & ANALYSIS

RANHILL WATER TECHNOLOGIES SDN BHD ("RWT")

As the effects of the pandemic recede, interest and demand for wastewater treatment solutions is expected to be on the rise going into FY2022.

The interest is fuelled by the need to comply with environmental regulations, and the growing realisation of the economic benefits of using reclaimed water for business operations, especially for non-potable applications in the medium and long-term. This includes reduced resource consumption and cost savings.

RWT will continue to pursue opportunities – leveraging on its proven track record and the geographically diversified presence of the Group to source for contracts. It continues to expand its footprint in Malaysia through the recently secured contracts, which beyond strengthening its order book, also strengthens the profile and credentials of the company. This augurs well for RWT as it continues to bid for additional contracts.

RWT's PRS system also holds potential as the company looks to offer the system to other state water providers in addressing growing water pollution faced nationwide. Given Polluted rivers in recent years has been a perennial problem that has led to shutdown of WTPs and subsequently disrupted water supply to millions of consumers in various parts of the country. Thus, RWT's proven model employed in Johor serves as a successful test case in addressing the problem of river pollution going forward.

RWTT and Anurak, will continue to pursue opportunities within industrial parks where both companies have a presence, as well as other earmarked industrial parks. Identified locations include the Thai-Chinese Rayong

Industrial Zone, IECO and Sahaphat industrial parks.

Competition is expected to be stiff, with the emergence of new market entrants. However, RWT remains undeterred and will look to innovate and develop new solutions to strengthen its competitive ability.

The company's ability in providing customised solutions and specialised facilities to treat complicated wastewater with complex and demanding waste characteristics will serve as a competitive edge when bidding for contracts.

RANHILL BERSEKUTU SDN BHD ("RBSB")

The stimulus effect of large-scale projects such as the High-Speed Rail ("HSR"), and the Mass Rapid Transit 3 ("MRT3") will galvanise economic recovery going into FY2022. Other significant projects are tolled highways nationwide and road projects in Sarawak as well as water and solar related projects.

Through RBSB, Ranhill aims to participate in these and other projects. RBSB shall bring proven engineering capabilities and expertise to play a role in nation-building and value creation. Beyond technical capabilities, RBSB's may also explore providing private financing towards strengthening the Group's overall value proposition in bidding for and securing projects.

Another encouraging prospect is the continued proliferation of RE projects, be it under the government's LSS programme or other initiatives, in Malaysia and regionally. These mainly comprise Solar PV, mini-hydro and energy storage projects.

With RBSB undertaking the EPCC works for Ranhill's LSS4 solar farm, the company now has a stronger footing to

target RE related construction works. Beyond projects awarded from within the Group, RBSB can also target other government and the private sector for EPCC work scope related to RE.

In scaling up its competencies, the company will continue to develop its talent pool (Project Management Professional certification) and technological capabilities. These include Solar PV engineering, Building Information Modeling (BIM) and 3D modelling.

RANHILL WORLEY SDN BHD ("RW")

Consistent with global trends, the domestic sector oil and gas sector, has staged a rebound on the back of resumption of exploration and production ("E & P") activities. Oil and gas majors have regained their appetite for drilling and other upstream activities as crude oil prices recovered in the 4th quarter of FY2021.

The need to replenish existing reserves and to meet increasing consumption demand will provide sufficient support to ensure crude oil and natural gas prices remain stable going into FY2022.

According to the PETRONAS Activity PETRONAS Outlook, 2022-2024 is expected to see a sustained uptake in drilling rig activity and a similar outlook for fabrication of fixed structures and subsea facilities, supply of linepipes, underwater services, as well as decommissioning activities.

Specifically in Malaysia, the increase in upstream activity will be driven by multiple factors. One of which is the increased interest in brownfield or marginal fields that require revitalisation as well as some greenfield projects. The latter includes Kasawari, PTTEP Lang Le Bah, Shell R&M, and Sapura OMV B14.

MANAGEMENT DISCUSSION & ANALYSIS

RW's strategic priority is to target the design and engineering of offshore facilities work for both international and local customers. This includes front end engineering design ("FEED") and detail engineering for offshore wellheads, compression and processing facilities as well as greenfield facilities & brownfield modifications and enhancements.

Outside of Malaysia, RW also sees potentials in offshore work in Qatar, notably for projects related to Qatar Energy and North Oil Company. Specifically, RW aims to participate in Front End Engineering and Design ("FEED") development, design of offshore facilities and expansion contracts, all of which are underpinned driven by plans for increased production in the region.

Other areas of opportunity include the intensified focus by PETRONAS and other oil and gas majors on decarbonisation and Energy transition fuels. Specific potentials include carbon capture utilisation and storage, liquified natural gas and gas processing, biofuels & specialty chemicals as well as hydrogen and green economy related works in the downstream market.

In its competitive edge, RW will continue to leverage automation and digitalisation. This will be achieved through implementing more data-centric and digital based design and delivery tools and platforms across the project portfolio to strengthen project management and decision making, enhance productivity and ultimately, provide clients with optimised solutions. Collectively, these will enhance market competitiveness and enable longer-term margin improvements.

RW will also leverage on the unique advantage of being able to tap the collective knowledge, talents and

expertise of the Worley Group offices to develop more competitive design and engineering solutions. The global repository of competence, experience and skills, coupled with local market knowledge and a sound understanding of domestic requirements will deliver a unique competitive edge when bidding for contracts.

ENERGY SECTOR

Southeast Asia and South Asia is expected to see robust growth even after the dampening economic effects of the COVID-19 pandemic. Consistent with economic growth, demand for energy, notably clean energy will be on the uptrend.

Indonesia for example, has projected its energy demand will grow by 5% annually. Some 552.5 gigawatt ("GW") of capacity is required by 2050, with 260 GW and 141 GW to be generated from RE sources and gas power plants, respectively. The Energy division has both expertise and experience in both RE and CCGT.

Ranhill has proven experience and capabilities through its CCGT operations. CCGT fired power plants are significantly more environmentally friendly compared to coal-fired power plants.

However, the focus going forward, is on RE projects – consistent with the aspirations of COP26 and the increasing focus by governments to drive economic growth through cleaner sources of energy.

Through its Energy sector, Ranhill has identified specific markets including countries in which the Group presently has a presence in. The goal is to support the energy aspirations of these countries, while also driving the ongoing transition to RE.

In Malaysia, the prospects for RE in Malaysia remain bright. The nation's goal according to the Ministry of Energy and Natural Resources states is to increase the share of RE in its installed capacity to 31% in 2025 and 40% in 2035 under its power generation plan.

The aspiration of the Sustainable Energy Development Authority ("SEDA") is to have 20% of the nation's energy generation capacity to be derived from RE by 2030. Out of the 31% RE target in 2025, 26% will come from peninsular Malaysia in 2025 and out of the 40% target in 2035, the peninsular will account for 32%.

RE capacity in the peninsular is expected to increase from the current 4,430 MW to 10,944 MW in the next 15 years. More than 7,000 MW of coal power plant's power purchase agreements will expire by 2033 and be replaced mostly by gas and RE which would lower Malaysia's carbon emissions.

Based on this plan, carbon emission intensity from the power sector is set to decline by 45% in 2030 and a further 60% in 2035, compared to the 2005 level, in line with Malaysia's Nationally Determined Contributions targets under the Paris Climate Agreement.

Ranhill's successful LSS4 bid provides further impetus to participate in LSS5. As at end FY2021, Ranhill has submitted several RE proposals to the government.

The division shall continue to explore the many potentials that are emerging in a post COVID-19 scenario as nations look to get back on track with their socio-economic growth aspirations post the pandemic.

MANAGEMENT DISCUSSION & ANALYSIS

GROUP FINANCIAL PERFORMANCE

	FY2020 (Restated) (RM'million)	FY2021 (RM'million)
Revenue	1,468.5	1,530.9
Profit Before Tax and Zakat ("PBTZ")	95.5	93.3
Profit Net of Tax	64.1	66.1
Profit Net of Tax Attributable to Owners of The Parent	37.6	30.6
EBITDA (include amortisation of concession asset)	469.3	490.6
EBIT	92.2	111.6

	FY2020 (Sen)	FY2021 (Sen)
Net Dividend Pay-out/ Proposed in Financial Year 2020 (sen)	2.79	0.99
Earnings Per Share Attributable to Owners of The Parent (sen)	3.5	2.6

	FY2020 (RM'million)	FY2021 (RM'million)
Total Dividend Pay-out	29.8	12.7

SUBSIDIARY PERFORMANCE	FY2020			FY2021		
	Revenue (RM'million)	PBTZ (RM'million)	PAT (RM'million)	Revenue (RM'million)	PBTZ (RM'million)	PAT (RM'million)
RanhillSaj	1,161.5	123.0	104.6	1,141.4	129.0	96.1
RWS	106.6	10.1	7.3	124.8	7.2	5.3
RWT	54.8	0.7	1.0	31.6	(3.8)	(3.8)
RPI	121.1	6.0	1.6	111.0	3.8	1.4
RPII	112.3	4.4	1.6	106.9	6.4	8.4

CASHFLOW

	FY2020 (RM'000)	FY2021 (RM'000)
Cash at banks and on hand	137,746	197,896
Short term deposit with licensed banks	120,499	141,929
Total deposits, cash and bank balances	258,245	339,825

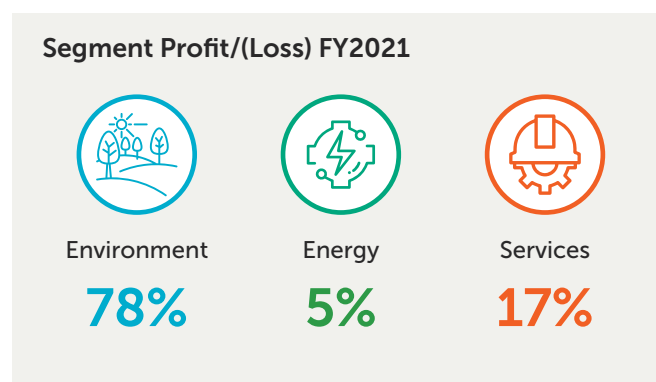
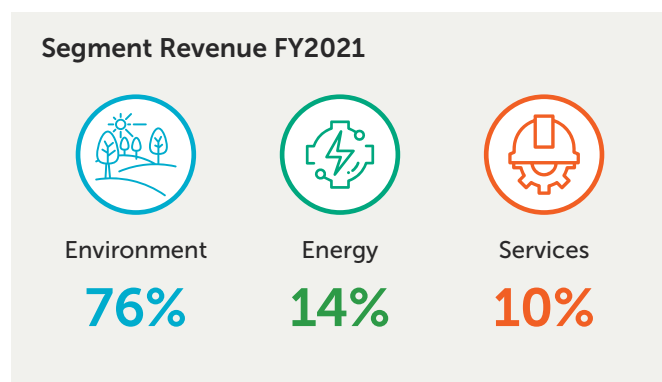
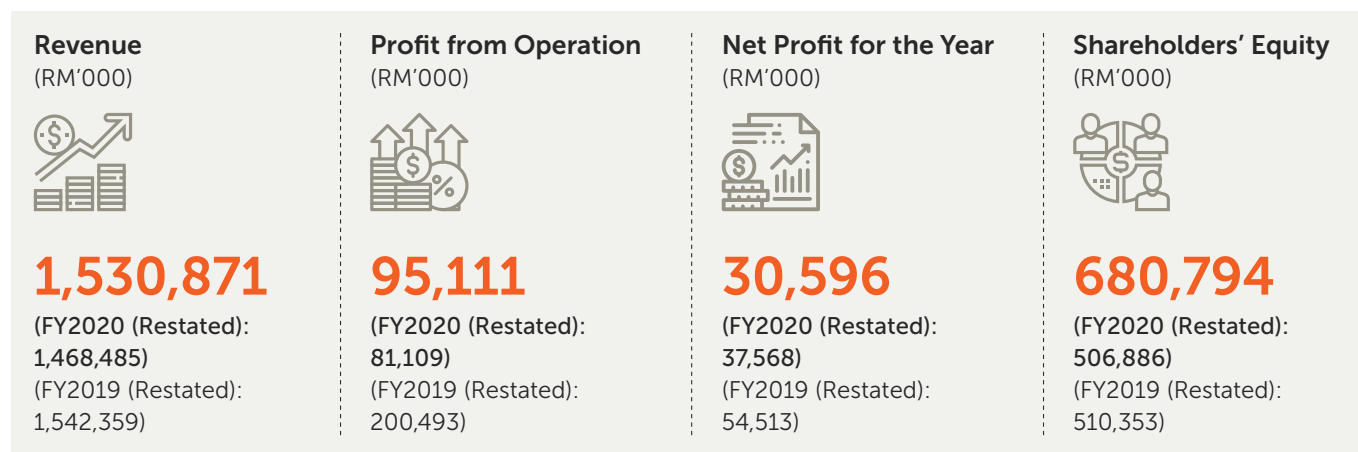
ASSETS & LIABILITY

	FY2020 (Restated) (RM'000)	FY2021 (RM'000)
Non-current	1,525,637	2,251,454
Current	837,629	1,029,729
Total Asset	2,363,266	3,281,183

	FY2020 (Restated) (RM'000)	FY2021 (RM'000)
Net cash from operating activities	121,260	230,848
Net cash (outflow)/inflow for investing activities	(51,896)	2,578
Net cash outflow for financing activities	(118,081)	(155,888)
Net increase/(decrease) in cash balance	(48,717)	77,538

Equity & Liabilities Capital And Reserve Attributable To Owners Of The Company	FY2020 (Restated) (RM'000)	FY2021 (RM'000)
Share Capital	1,282,907	1,438,993
Total Equity Attributable to Owners of the Company	506,886	680,794
Non-Current Liabilities	1,346,389	1,567,207
Current Liabilities	373,927	854,096
Total Liabilities	1,720,316	2,421,303
Total Equity and Liabilities	2,363,266	3,281,183

GROUP FINANCIAL HIGHLIGHTS



	FY2019 (Restated) (RM'000)	FY2020 (Restated) (RM'000)	FY2021 (RM'000)
Revenue	1,542,359	1,468,485	1,530,871
Profit from operation	200,493	81,109	95,111
Net Profit for the year	54,513*	37,568**	30,596
Weighted average number of ordinary share	1,065,975	1,067,057	1,168,044
Basic earnings per ordinary share (sen)	5.11	3.52	2.62
Total Asset	2,856,498	2,363,266	3,281,183
Shareholders' Equity	510,353	506,886	680,794
Net Asset per share	0.48	0.48	0.58

Note:

* Adjusted for IC. 12

** The drop in profit (from RM54.5 million to RM37.6 million) is due to lower contribution from RPI and RanhillSaj (due to discount to B40, COVID-19 contribution and non-recurring income recognition in FY2019)