



**Ranhill**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
 ENDED 30 SEPTEMBER 2020**

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME <sup>(1)</sup>**

	NOTE	Individual Quarter		Cummulative Period	
		Current year quarter 30/09/2020 RM'000	Preceding year quarter 30/09/2019 RM'000	Current year to date 30/09/2020 RM'000	Preceding year to date 30/09/2019 RM'000
Revenue		385,478	409,060	1,122,637	1,238,103
Cost of sales		(293,584)	(292,836)	(841,666)	(885,382)
<b>Gross profit</b>		<b>91,894</b>	<b>116,224</b>	<b>280,971</b>	<b>352,721</b>
<b>Other items of income</b>					
Interest income		11,354	12,458	36,757	39,539
Other income		5,962	2,718	12,626	6,206
<b>Other items of expense</b>					
Admin/Operating expenses		(54,782)	(63,423)	(176,136)	(180,789)
Finance costs		(18,873)	(23,874)	(61,076)	(76,057)
Zakat		(1,083)	(250)	3,771	(2,516)
Share of results of associates		3,808	4,018	12,225	8,624
<b>Profit before tax</b>		<b>38,280</b>	<b>47,871</b>	<b>109,138</b>	<b>147,728</b>
Income tax expense	B5	(14,456)	(18,880)	(37,209)	(54,546)
<b>Profit net of tax</b>		<b>23,824</b>	<b>28,991</b>	<b>71,929</b>	<b>93,182</b>
<b>Other comprehensive income/(loss):</b>					
Foreign currency translation		(2,827)	(1,336)	673	2,087
Remeasurement of defined benefit liability		-	-	(4,407)	-
<b>Total other comprehensive income/(loss)</b>		<b>(2,827)</b>	<b>(1,336)</b>	<b>(3,734)</b>	<b>2,087</b>
<b>Total comprehensive income for the year/period</b>		<b>20,997</b>	<b>27,655</b>	<b>68,195</b>	<b>95,269</b>
<b>Profit net of tax attributable to:</b>					
Owners of the parent		15,096	17,630	46,474	57,668
Non-controlling interests		8,728	11,361	25,455	35,514
		<b>23,824</b>	<b>28,991</b>	<b>71,929</b>	<b>93,182</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		12,268	16,296	42,739	59,757
Non-controlling interests		8,729	11,359	25,456	35,512
		<b>20,997</b>	<b>27,655</b>	<b>68,195</b>	<b>95,269</b>
<b>Earnings per share (sen):</b>					
Basic	B11	1.42	1.65	4.36	5.41
Diluted		N/A	N/A	N/A	N/A
<b>EBITDA (includes amortisation of services concession assets)</b>		<b>145,700</b>	<b>155,710</b>	<b>427,730</b>	<b>473,050</b>
<b>EBIT</b>		<b>45,799</b>	<b>59,287</b>	<b>133,457</b>	<b>184,246</b>

**Notes :**

- (1) The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>

	Unaudited As at 30/09/2020 RM'000	Audited As at 31/12/2019 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	587,714	578,891
Service concession assets	82,290	327,299
Intangibles	301,212	299,293
Rights of use of assets	9,606	10,123
Finance lease receivables	368,224	409,342
Deferred tax assets	43,610	64,780
Investment in an associates	180,088	160,924
Operating financial assets	84,976	89,354
Trade and other receivables	146,324	160,593
Contract assets	-	135
Other non-current assets	10,814	12,026
	<u>1,814,858</u>	<u>2,112,760</u>
<b>Current assets</b>		
Finance lease receivable	54,319	51,357
Operating financial assets	9,423	9,496
Trade and other receivables	288,051	211,390
Contract assets	23,668	24,302
Inventories	102,411	89,070
Tax recoverable	2,497	1,358
Other current assets	21,496	11,064
Other financial assets	26,425	75,635
Deposits, cash and bank balances	280,053	453,892
	<u>808,343</u>	<u>927,564</u>
<b>Total assets</b>	<u>2,623,201</u>	<u>3,040,324</u>
<b>Current liabilities</b>		
Retirement benefit obligations	11,719	11,162
Loans and borrowings	92,098	93,076
Zakat	6,471	11,492
Trade and other payables	232,902	300,390
Contract liabilities	1,340	57
Service concession obligations	80,686	328,970
Tax payable	13,166	15,825
	<u>438,382</u>	<u>760,972</u>
<b>Net current assets</b>	<u>369,961</u>	<u>166,592</u>

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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup> (continued)

	Unaudited As at 30/09/2020 RM'000	Audited As at 31/12/2019 RM'000
<b>Non-current liabilities</b>		
Retirement benefit obligations	75,981	72,370
Loans and borrowings	971,842	1,073,042
Trade and other payables	230	1,076
Consumer deposits	251,778	251,458
Deferred tax liabilities	77,730	81,298
	<u>1,377,561</u>	<u>1,479,244</u>
<b>Total liabilities</b>	<u>1,815,943</u>	<u>2,240,216</u>
<b>Net assets</b>	<u>807,258</u>	<u>800,108</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,282,907	1,275,319
Treasury shares	(10,644)	-
Other capital reserve	82	-
Other reserves	(891,272)	(891,945)
Retained earnings	209,421	198,870
	<u>590,494</u>	<u>582,244</u>
Non-controlling interests	216,764	217,864
<b>Total equity</b>	<u>807,258</u>	<u>800,108</u>
<b>Total equity and liabilities</b>	<u>2,623,201</u>	<u>3,040,324</u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<u>0.55</u>	<u>0.55</u>

Notes:

- (1) The Unaudited Condensed Statements of Financial Position should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>**

	Share capital RM'000	Treasury shares RM'000	Other capital reserves RM'000	Currency translation reserves RM'000	Equity component of convertible unsecured loan stock RM'000	Merger reserve/ (deficit) RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2020	1,275,319	-	-	13,007	1,063	(906,015)	198,870	582,244	217,864	800,108
Total comprehensive income	-	-	-	673	-	-	42,066	42,739	25,456	68,195
-Issue of share -dividend reinvestment plan	7,588	-	-	-	-	-	-	7,588	-	7,588
-Purchase of own shares	-	(10,644)	-	-	-	-	-	(10,644)	-	(10,644)
-Share based payment	-	-	82	-	-	-	-	82	-	82
-Acquisition of subsidiary	-	-	-	-	-	-	-	-	221	221
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	-	(89)	(89)
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,088)	(1,088)
-Dividends on ordinary shares	-	-	-	-	-	-	(31,515)	(31,515)	(25,600)	(57,115)
At 30 September 2020	1,282,907	(10,644)	82	13,680	1,063	(906,015)	209,421	590,494	216,764	807,258
At 1 January 2019	1,275,319	-	-	11,547	1,063	(906,015)	167,455	549,369	207,382	756,751
Total comprehensive income	-	-	-	2,087	-	-	57,670	59,757	35,512	95,269
-CULS interest paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,088)	(1,088)
-Unwinding on interest expense on CULS attributable to non-controlling interests	-	-	-	-	-	-	-	-	(72)	(72)
-Dividends on ordinary shares	-	-	-	-	-	-	(28,426)	(28,426)	(24,400)	(52,826)
At 30 September 2019	1,275,319	-	-	13,634	1,063	(906,015)	196,699	580,700	217,334	798,034

**Notes:**

(1) The Unaudited Condensed Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	<b>9 months ended 30/09/2020 RM'000</b>	<b>9 months ended 30/09/2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	109,138	147,728
Adjustments for:		
Depreciation of property, plant and equipment	40,336	37,404
Depreciation of right-use-of asset	1831	1,146
Net (gain)/loss on disposal of property, plant and equipment	(71)	210
Net loss on disposal of right-use-of asset	136	-
Property, plant and equipment written off	679	105
Amortisation of service concession asset	250,595	249,897
Amortisation of software	1,511	357
Share of results of associates	(12,225)	(8,624)
Share based payment expenses	82	-
Net bad debts written off	17	-
Provision for retirement benefit plan	5,116	5,827
Provision/(reversal) zakat	(3,771)	2,516
Net unrealised foreign exchange (gain)/loss	(2,639)	2,074
Allowance for expected credit losses on:		
-Trade receivables	614	-
-Other receivables	-	3,773
Reversal of provision for liquidated ascertained damages	(80)	-
Interest income	(36,757)	(39,539)
Interest expense	61,076	76,057
Operating profit before working capital changes	415,588	478,931
Receivables	(53,783)	(47,879)
Payables	(53,134)	(14,033)
Inventories	(13,349)	7,289
Finance lease receivables	63,126	63,125
Operating financial asset	3,664	(45,134)
Contract assets	978	49,707
Contract liability	1,286	3,904
Other non-current and current asset	(9,225)	12,571
Cash generated from operations	355,151	508,481
Retirement benefits plan paid	(5,310)	(10,227)
Tax paid	(23,777)	(15,960)
Zakat paid	(1,250)	(3,388)
Repayment of lease rental payable to PAAB	(262,196)	(264,523)
Net cash generated from operating activities	62,618	214,383



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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (continued) <sup>(1)</sup>**

	<b>9 months ended 30/09/2020 RM'000</b>	<b>9 months ended 30/09/2019 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(48,789)	(25,192)
Purchase of right-of-use assets	(1,471)	(927)
Proceeds from disposal of property, plant and equipment	72	406
Net cashoutflow effect on acquisition of subsidiary	203	-
Disposal of short term investments	49,210	45,213
Purchase of software	(3,429)	(303)
Interest received	8,273	8,285
Net cash generated from investing activities	<u>4,069</u>	<u>27,482</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Placement)/withdrawal of fixed deposits with banking facilities	125,510	(52,286)
Drawdown of loans and borrowings	-	3,546
Repayment of lease liabilities	(2,072)	(1,323)
Repayment of loans and borrowings	(94,041)	(71,373)
Purchase of own shares	(10,644)	-
Dividends paid	(72,716)	(59,476)
Interest paid	(53,686)	(37,470)
Net cash used in financing activities	<u>(107,649)</u>	<u>(218,382)</u>
Net increase in cash and cash equivalents	(40,962)	23,483
Effect of exchange rate changes on cash and cash equivalents	(7,775)	7,889
Cash and cash equivalents at beginning of year	<u>167,302</u>	<u>200,817</u>
Cash and cash equivalents at end of year	<u>118,565</u>	<u>232,189</u>
 Cash and cash equivalents at end of financial period comprise the following:		
Cash at banks and on hand	77,186	72,560
Short term deposits with licensed banks	<u>202,867</u>	<u>366,449</u>
Total deposits, cash and bank balances	280,053	439,009
Bank overdrafts	(408)	-
Restricted deposits, cash and bank balances	(143,341)	(180,820)
Deposit pledge as securities to licence bank	(533)	-
Deposit with maturities of three months or more	<u>(17,206)</u>	<u>(26,000)</u>
Cash and cash equivalents	<u>118,565</u>	<u>232,189</u>

**Notes:**

- (1) The Unaudited Condensed Statements of Cash Flows should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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**9SECTION A: NOTES TO THE QUARTERLY RESULTS**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Accounting Standard Board ("IAS") 34: Interim Financial Reporting issued by the International Accounting Standard Board ("IASB") and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities ("Bursa Securities").

These interim financial statements should be read in conjunction with the Audited Financial Statements of Ranhill Holdings Berhad ("the Company") for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("the Group") since the financial year ended 31 December 2019.

**A2. Changes in Accounting Policies**

The significant accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted as disclosed in the Audited Financial Statements of the Company for the financial year ended 31 December 2019.

**Adoption of New and Revised Financial Reporting Standards ("FRSs")**

On 1 January 2020, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2020.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 101 and MFRS 108: Definition of Material (Amendments to MFRS 101 and MFRS 108)	1 January 2020
MFRS 3: Definition of a Business (Amendments to MFRS 3)	1 January 2020
MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)	1 January 2020
Conceptual Framework: Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 16 : Covid-19-Related Rent Concessions (Amendment to MFRS 16 Leases)	1 June 2020
The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group and the Company.	

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**A2. Changes in Accounting Policies (continued)**

**Standards and Amendments in Issue but Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments, which were in issue but not yet effective and not early adopted by the Group are as listed below.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform Phase 2	1 January 2021
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018–2020"	1 January 2022
MFRS 3: Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
MFRS 16: Property, Plant and Equipment—Proceeds before Intended Use (Amendments to MFRS 116)	1 January 2022
MFRS 137: Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
MFRS 101 : Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

**A3. Audit Report**

There was no audit qualification reported in the Auditors' Report on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2019.

**A4. Seasonality of Cyclical of Operations**

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

**A5. Unusual Significant Items**

There were no significant items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence for the current quarter and current financial year-to-date except the recent COVID-19 pandemic where the Group (although in utilities industry), experience slight drop in revenue and profit.



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**A6. Material Changes in Estimates**

There were no major changes in estimates that have a material effect in the current quarter and current financial year-to-date.

**A7. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and current financial year-to-date except as disclosed below:

- (a) On 30 January 2020, the Company had successfully issued and allotted 6,961,407 new Company shares pursuant to shareholders opting for shares under the Dividend Reinvestment Plan ("DRP"). The Company had established a DRP which will provide the shareholders with an option to elect to reinvest their cash dividend declared by the Company which includes any interim, final, special or any other cash dividend in the Company's shares. The second interim tax exempt (single-tier) dividend declared on 7 November 2019 was subjected to DRP, of which the election period will close on 17 January 2020.
- (b) On 3 February 2020, Company has proposed share buy-back authority of up to ten percent (10%) of the total number of its issued and paid up share capital.
- (c) As at 30 September 2020, the Company held 11,217,900 repurchased shares as treasury shares out of its total issued and paid up share capital of 1,072,936,566 ordinary shares. The treasury shares are held at a carrying amount of RM 10,643,917.

**A8. Dividend Paid**

During the 9 months period ended 30 September 2020, the following payments of dividend were made:

In respect of the financial year ended 31 December 2019:

- (a) RM21,319,503 was declared on 7 November 2019 with the option to elect for DRP and Company has allotted and issued 6,961,407 new Company shares pursuant to the DRP while remaining of the dividend was paid on 30 January 2020 as second interim single tier dividend of 2.0 sen per share on 1,065,975,159 ordinary shares.
- (b) RM10,729,366 was declared on 27 February 2020 as third interim single tier dividend of 1.0 sen per share on 1,072,936,566 ordinary shares. However only RM10,713,966 was paid on 31 March 2020 after taking into consideration of shares buy back of 4,218,700 ordinary shares.
- (c) Final dividend of 1.0 sen per share under single tier system was declared on 21 April 2020. RM10,670,908 being paid on 28 May 2020 after taking consideration of shares buy back of 5,845,700 ordinary shares.

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**A9. Segmental Information**

Segmental results are summarized as follows with a reportable proforma segment profit, segment asset and segment liabilities after apportioning the Sukuk related assets, liabilities and cost to the environment and power segments, to reflect more meaningful contributions from the segments by apportioning the cost of acquiring the environment and power segments to the respective segment.

For the period ended 30 September 2020:

<b>BY BUSINESS SEGMENTS</b>	<b>Environment RM'000</b>	<b>Power RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Sales to external customers	922,028	200,609	138,073	1,260,710
Inter-segment elimination	-	-	(138,073)	(138,073)
	922,028	200,609	-	1,122,637
<b>Results</b>				
Segment profit/(loss)	125,431	18,883	(72,385)	71,929
Segment assets	1,354,524	1,115,401	153,276	2,623,201
Segment liabilities	635,952	580,101	599,890	1,815,943
<b>Proforma scenario</b>				
<b>Results</b>				
Segment profit/(loss)	125,431	18,883	(72,385)	71,929
Add/(less): Sukuk interest	(26,485)	(2,440)	28,925	-
<b>Adjusted segment profit/(loss)</b>	<b>98,946</b>	<b>16,443</b>	<b>(43,460)</b>	<b>71,929</b>
Segment assets	1,354,524	1,115,401	153,276	2,623,201
Add/(less): Bank balances related to Sukuk	67,025	6,175	(73,200)	-
<b>Adjusted segment Assets</b>	<b>1,421,549</b>	<b>1,121,576</b>	<b>80,076</b>	<b>2,623,201</b>
Segment liabilities	635,952	580,101	599,890	1,815,943
Add/(less): Sukuk loan	536,582	49,437	(586,019)	-
<b>Adjusted segment liabilities</b>	<b>1,172,534</b>	<b>629,538</b>	<b>13,871</b>	<b>1,815,943</b>

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**A9. Segmental Information (continued)**

For the financial year ended 30 September 2019:

<b>BY BUSINESS SEGMENTS</b>	<b>Environment RM'000</b>	<b>Power RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Sales to external customers	973,611	264,492	144,548	1,382,651
Inter-segment elimination	-	-	(144,548)	(144,548)
	973,611	264,492	-	1,238,103
<b>Results</b>				
Segment profit/(loss)	137,831	33,660	(78,309)	93,182
Segment assets	1,727,583	1,214,064	134,785	3,076,432
Segment liabilities	994,822	656,266	627,310	2,278,398
<b>Proforma scenario</b>				
<b>Results</b>				
Segment profit/(loss)	137,831	33,660	(78,309)	93,182
Add/(less): Sukuk interest	(27,799)	(2,561)	30,360	-
<b>Adjusted segment profit/(loss)</b>	<b>110,032</b>	<b>31,099</b>	<b>(47,949)</b>	<b>93,182</b>
Segment assets	1,727,583	1,214,064	134,785	3,076,432
Add/(less): Bank balances related to Sukuk	107,909	9,942	(117,851)	-
<b>Adjusted segment assets</b>	<b>1,835,492</b>	<b>1,224,006</b>	<b>16,934</b>	<b>3,076,432</b>
Segment liabilities	994,822	656,266	627,310	2,278,398
Add/(less): Sukuk loan	568,741	52,400	(621,141)	-
<b>Adjusted segment liabilities</b>	<b>1,563,563</b>	<b>708,666</b>	<b>6,169</b>	<b>2,278,398</b>

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**A9. Segmental Information (continued)**

Environment segment

- Year to date revenue generated of RM922.0 million (2019: RM973.6 million), decreased by RM51.6 million compared to its preceding year mainly due to lower water consumption and lower contribution from developers in Ranhill SAJ resulted from the COVID19 pandemic.
- Year to date profit after taxation of RM125.4 million (2019: RM137.8 million) decreased by RM12.4 million compared to its preceding year mainly due to the above same reason and discount given to B40 of income group approximately RM2.6 million.

Power segment

- Revenue of RM200.6 million (2019: RM264.5 million), decreased by RM63.9 million compared to its preceding year mainly due to the reduction of power tariff (Capacity Payment Revenue-Capacity Rate Financial ("CPcrf")) upon full repayment of project loan in 2019 as stipulated in the Power Purchase Agreement (from RM35.90/kW per month to RM22.24/kW per month). The drop in profit was also due to the same reason.

**A10. Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current quarter and current financial year-to-date.

**A11. Contingent Liabilities**

There were no contingent liabilities for the current quarter and current financial year-to-date.

**A12. Capital Commitments**

The Group has the following capital commitments in respect of:

	<b>30.09.2020 RM'000</b>	<b>31.12.2019 RM'000</b>
Approved and contracted for	87	775
Approved but not contracted for	4,838	3,290
	<b>4,925</b>	<b>4,065</b>

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**A13. Significant Events Subsequent to the Balance Sheet Date**

There were no material events subsequent to the current quarter and current financial year to date except as disclosed below:

- (a) On 16 October 2020, the Company had distributed share dividend of 10,617,974 treasury shares to the shareholders as the first interim dividend for the Financial Year ending 31 December 2020. Post distribution, balance of treasury shares has reduced to 599,926 while the total number of share capital post distribution increased to 1,072,336,640.
- (b) Post share dividend, the Company had completed the purchase of its issued ordinary shares from the open market on the respective dates as below (ie up to 25 November 2020). The shares purchased are held as treasury shares in accordance with Section 127(16) of the Companies Act 2016:

<b>On:</b>	<b>Number of shares '000</b>
20 Oct 2020	130
23 Oct 2020	20
26 Oct 2020	130
27 Oct 2020	110
28 Oct 2020	265
30 Oct 2020	325
2 Nov 2020	328
3 Nov 2020	590
4 Nov 2020	100
5 Nov 2020	100
6 Nov 2020	135
9 Nov 2020	180
10 Nov 2020	40
11 Nov 2020	30
12 Nov 2020	400
19 Nov 2020	25
20 Nov 2020	25
24 Nov 2020	200
25 Nov 2020	510
<b>Sub total</b>	<b>3,643</b>
Plus: remaining treasury shares	599.9
	<b>4,242.9</b>

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**SECTION B: BURSA SECURITIES LISTING REQUIREMENT (PART A OF APPENDIX 9B)**

**B1. Detailed Analysis of Performance of All Operating Segments**

**Performance for the quarter and year-to-date**

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current year quarter 30.09.2020 RM'000	Preceding year quarter 30.09.2019 RM'000		Current year to date 30.09.2020 RM'000	Preceding year to date 30.09.2019 RM'000	
Revenue	385,478	409,060	-5.8%	1,122,637	1,238,103	-9.3%
Operating profit	43,074	55,519	-22.4%	117,461	178,138	-34.1%
Profit Before Interest and Tax	45,799	59,287	-22.8%	133,457	184,246	-27.6%
Profit Before Tax	38,280	47,871	-20.0%	109,138	147,728	-26.1%
Profit After Tax	23,824	28,991	-17.8%	71,929	93,182	-22.8%
Profit Attributable to Ordinary Equity Holder of the Parent	15,096	17,630	-14.4%	46,474	57,668	-19.4%

For the quarter and year to date ended 30 September 2020, the Group recorded a revenue of RM385.5 million and RM1,122.6 million respectively (Q32019 : RM409.1 million, YTD2019 : RM1,238.1 million) while profit attributable to ordinary equity holder of the parent of RM15.1 million and RM46.5 million (Q32019 : RM17.6 million, YTD2019: RM57.7 million).

The decrease in revenue for the quarter and year to date (vs prior year corresponding quarter) were mainly contributed by:-

- Lower water revenue and lower developer contribution in RanhillSAJ of approximately of RM 46.0 million resulted from COVID19 pandemic.
- lower EPC revenue from Ranhill Water Technology of RM 8.2 million
- reduction in power tariff (Capacity Payment Revenue-Capacity Rate Financial ("CPcrf")) upon full repayment of project loan as stipulated in the Power Purchase Agreement which contribute to RM63.9m lower revenue.

Profit attributable to ordinary equity holder of the parent for the quarter and year to date decreased by RM2.5 million and RM11.2 million (compared to preceding year's quarter and year to date) was mainly due to the abovementioned reason and year to date expenses such as discount to B40 (RM2.8 million), COVID19 contribution (RM3 million) & higher lease rental of approximately RM15 million (while tariff maintained) offsetted by increase contribution from China (RM3.6 million) and overprovision of zakat (RM3 million).

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**B2. Comparison of Results for Current Quarter Ended 30 September 2020 Compared to the Immediate Preceding Quarter**

	Individual Quarter		Changes %
	Current year quarter 30.09.2020 RM'000	Immediate preceding quarter 30.06.2020 RM'000	
Revenue	385,478	368,878	4.5%
Operating Profit	43,074	28,402	51.7%
Profit Before Interest and Tax	45,799	38,085	20.3%
Profit Before Tax	38,280	29,578	29.4%
Profit/(loss) After Tax	23,824	20,743	14.9%
Profit/(loss) Attributable to Ordinary Equity Holder of the parent	15,096	13,188	14.5%

The Group recorded a revenue of RM385.5 million in the current quarter compared to its immediate preceding quarter's revenue of RM368.9 million, an increase of RM16.6 million or 4.5% from previous quarter, mainly due to the increase in water consumption by the commercial sector post MCO.

The profit attributable to ordinary equity holder of the parent for the current quarter has increased slightly by RM1.9 million from RM13.2 million in quarter 2 FY2020 mainly due to the abovementioned reason.

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**B3. Prospects**

With the prolonged COVID-19 pandemic, the Group has initiated caution in managing the group's business to ensure continuous recurring and stable source of cashflows is generated to support the operations and optimise the value to the stakeholders. Management will implement the necessary austerity measures without jeopardising operations and services. Given the outbreak and the recent change in the country's administration, the negotiations on tariff hike is expected to take longer than expected to materialise.

Initiatives to explore the opportunity in expanding water supply operations to other states in Malaysia are still actively sought, based on the "Asset-Light" model and our achievement in operating the water supply services in Johor for over 20 years, since 1999.

Over the years, our Non-Revenue Water ("NRW") management services have completed several water related contracts in the region valued at RM800m and had saved >500MLD of treated water through NRW contracts. RWS being a reputable NRW company stands a good chance of securing local NRW contracts via open tender and is at its fifth successive NRW project in the state of Johor through competitive open tender process since 2011. RWS has been undertaking NRW projects in Johor successfully in a holistic manner since its inception in 2005 and has reduced NRW from over 37% in 2005 to 24.11% as at 31 December 2019.

Internationally, RWT operates 12 industrial wastewater treatment plant in China totalling 227MLD (via joint venture with SIIC (a state-owned entity) and 10 water and wastewater treatment plants and reclamation plant with industrial park developers and other private enterprises which contribute to the total treatment design capacity of 114 MLD in Thailand.

In line with the anticipated growth of industrial parks in these markets, we strive to continue leveraging on our good track record and relationship with existing clients and at the same time develop new customers to grow our footprint in the region. We are optimistic in securing more industrial water and wastewater treatment projects with an additional treatment capacity not only from Amata Industrial park but other industrial parks in Thailand.

In line with the Company's expansion portfolio in the Environment sector, Ranhill, along with several strategic business partners have formed a Consortium to undertake bidding for the development of "Source-to-Tap" project that aims to extract 10,000 litre per second (lps) sourced from the Jatiluhur dam and supply treated water to 5 regions namely DKI Jakarta, Bekasi City, Bekasi Regency, Karawang Regency and Bogor Regency.

As for the power division, we are proposing an extension of the existing concession at our Teluk Salut Power Plant beyond its existing concession end-2029. We had commenced negotiation with the government for the PPA extension and are of the view that a continued competitive tariff will hold us in good stead in renegotiating an extended tenure going forward. Additionally, the power division is also in discussion with other Ranhill subsidiaries to install ground-mounted solar PV or rooftop solutions to be installed in the latter's respective facilities. The business will be based on the Nett Energy Metering and / or Solar PPA concept where the power division will develop, finance and operate the solar PV plants on a long-term basis. Subsidiaries stand to benefit from a stable tariff over the long-term, which enables them to better plan their budget requirements going forward.



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**B3. Prospects (continue)**

Ranhill is embarking on steps towards achieving growth in its power business. Ranhill is pursuing the development of new gas power plants in the ASEAN region, as well as diversifying into the renewable energy business such as, geothermal, large scale solar and waste-to-energy in tandem with the aspirations of the Malaysian government to increase its generation capacity from renewable energy sources. To enhance our international presence, we aim to further strengthen our operational presence in the region focusing on investment and development opportunities within the Environment and Power segments in South East Asia.

Ranhill maintains its target to own and operate gross 1,000 MW (currently 380 MW) power plants that deliver clean energy and 3,000 MLD water (currently 2,456 MLD) and wastewater treatment capacity, of which 400 MLD is to be from international segment by 2022.

With the aforementioned growth prospects, Ranhill is exploring the possibility of a secondary listing on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") by way of an introduction to broaden its investor base and gain access to an additional platform for future fund raising to finance the Company's regional expansion. The Company is also reviewing the new listing due diligence guidelines issued on 13 November 2020 (which took immediate effect) and applicable to all listings (including by way of introduction).

**B4. Profit Forecast**

Not applicable.

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QUARTER ENDED 30 SEPTEMBER 2020**

**B5. Taxation**

The taxation for the Company for the financial year under review is as follows:

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2020 RM'000	Preceding year quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year to date 30.09.2019 RM'000
<b>Malaysia taxation:</b>				
Current taxation	8,575	8,827	19,700	24,098
(Over)/under provision prior years	(1)	1,209	(86)	1,098
<b>Foreign taxation:</b>				
Current taxation	2	5	2	7
Deferred taxation	203	72	358	953
<b>Deferred taxation</b>				
Current taxation	5,456	8,767	16,865	26,799
Under provision prior years	221	-	370	1,591
	14,456	18,880	37,209	54,546

The Company's effective tax rate (excluding the results of associates and joint venture which are equity accounted net of tax) for the quarter and current year to date were higher than the statutory tax rate substantially due to the non-allowable tax expenses of Sukuk interest.

In 2018, the new Finance Act 2018 which comes into effect on 26 December 2018, introduced a 7-Year Limitation on carry forward of unabsorbed business losses, unutilised reinvestment and investment allowances. Such ruling meant that Ranhill Powertron II can only utilise its unutilised investment allowance against any taxable profit up to year 2025, requiring a potential reversal of deferred tax asset to the income statement of RM42.7 million (2018:RM57.7 million).

Ranhill Powertron II, through its tax consultant, has since appealed to the Ministry of Finance ("MoF") to allow Ranhill Powertron II to utilise the investment allowance up to the end of the concession period in year 2032. The appeal is currently under assessment and consideration by the MoF.

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**B6. Profit/(Loss) Before Taxation**

The following items have been included in arriving at profit before taxation:

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2020 RM'000	Preceding year quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year to date 30.09.2019 RM'000
Amortisation of service concession assets	84,518	82,918	250,595	249,897
Amortisation of software	567	121	1,511	357
Depreciation of property, plant and equipment	14,240	12,983	40,336	37,404
Depreciation of right use of assets	576	401	1,831	1,146
Unrealised foreign exchange (gain)/loss	(1,012)	2,179	(2,639)	2,074
Realised foreign exchange gain	(65)	1	(226)	(90)
Allowance for expected credit losses on:				
- Trade receivables	-	-	614	-
- Other receivables	-	-	-	3,773
Property, plant and equipment written off	672	71	679	103
Reversal provision for liquidated ascertained damages	(269)	-	(80)	-
(Gain)/loss on disposal of property, plant and equipment	(6)	(176)	(70)	210
Loss on disposal of right use of assets	-	-	136	-

**B7. Status of Corporate Proposal Announced**

There are no corporate proposals announced but not completed at the date of this report except as disclosed below:

- (a) On 19 June 2020, the Company has appointed CIMB Bank Berhad to proceed with the submission for the proposed secondary listing on Main Board of the Singapore Exchange Securities Trading Limited to access additional platform for future fund raising to finance the Company's regional expansion. On 22 June 2020, the Company has informed that the details of the proposed secondary listing have not been finalised yet and further announcement will be made to Bursa Malaysia Securities Berhad once the details are finalised.

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**B7. Status of Corporate Proposal Announced (continued)**

**(b) Proposed Long Term Incentive Plan ("LTIP")**

As announced on 28 February 2019, the Company proposes to establish a long term incentive plan of up to 10% of the issued and paidup share capital (excluding treasury shares), for eligible executive directors and employees of Company and its subsidiary companies (excluding subsidiaries which are dormant) ("Ranhill Group" or the "Group") at any point in time ("Proposed LTIP"),

As announced, Bursa Securities had, via its letter dated 13 March 2019, resolved to approve listing and quotation of such number of new ordinary shares, representing up to 10% of the total number of issued shares of Ranhill (excluding treasury shares) pursuant to the Proposed LTIP subject to the following:

- (1) The Company is required to submit a confirmation through its Adviser, ie. UOBKH to Bursa Securities of full compliance of the Proposed LTIP pursuant to Paragraph 6.43(1) of the Main Market Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting; and;
- (2) The Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Ranhill Shares listed pursuant to the Proposed LTIP as at the end of each quarter together with a detailed computation of listing fees payable.

The Proposed LTIP was approved by the shareholders at the EGM held on 11 April 2019.

The LTIP was implemented with effect from 11 September 2020, being the date on which the Company is in full compliance with Paragraph 6.43(1) of the Listing Requirement.

On 11 September 2020, a total of 9,989,600 LTIP grants were offered to the selected eligible executive directors and employees of the Company and its subsidiary companies (excluding subsidiaries which are dormant), of which 1,946,600 LTIP Grants were offered to the executive directors of the Company. The closing market price of Company shares on the date of offer was RM 0.855. The LTIP grants will be vested upon acceptance of the offer by the grantee, which shall be 3 years from the date of offer.

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**B8. Group Borrowings**

Particular of the Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

	As at period ended 30 September 2020					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
<b>Secured</b>						
- Bank overdraft	408	-	-	-	408	-
- Term loan	3,794	-	14,264	-	18,058	-
- Musharakah Medium Term Notes ("mMTN")	-	50,382	-	392,613	-	442,995
- SUKUK	-	35,248	-	550,770	-	586,018
<b>Sub total</b>	<b>4,202</b>	<b>85,630</b>	<b>14,264</b>	<b>943,383</b>	<b>18,466</b>	<b>1,029,013</b>
<b>Unsecured</b>						
- Letter of credit	-	83	-	-	-	83
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,302	-	10,302
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,302</b>	<b>-</b>	<b>10,385</b>
<b>Total borrowing</b>	<b>4,202</b>	<b>85,713</b>	<b>14,264</b>	<b>953,685</b>	<b>18,466</b>	<b>1,039,398</b>
Lease liability		2,183		3,893		6,076
<b>Grand Total</b>	<b>4,202</b>	<b>87,896</b>	<b>14,264</b>	<b>957,578</b>	<b>18,466</b>	<b>1,045,474</b>
						<b>1,063,940</b>

	As at year ended 31 December 2019					
	Short term		Long term		Total borrowings	
	THB	RM	THB	RM	THB	RM
<b>Secured</b>						
- Term loan	5,065	-	17,939	-	23,004	-
- Musharakah Medium Term Notes ("mMTN")	-	50,106	-	444,817	-	494,923
- SUKUK	-	35,706	-	595,757	-	631,463
<b>Sub total</b>	<b>5,065</b>	<b>85,812</b>	<b>17,939</b>	<b>1,040,574</b>	<b>23,004</b>	<b>1,126,386</b>
<b>Unsecured</b>						
- Convertible unsecured loan stocks ("CULS")	-	-	-	10,213	-	10,213
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,213</b>	<b>-</b>	<b>10,213</b>
<b>Total borrowing</b>	<b>5,065</b>	<b>85,812</b>	<b>17,939</b>	<b>1,050,787</b>	<b>23,004</b>	<b>1,136,599</b>
Lease liability		2,199		4,316		6,515
<b>Grand Total</b>	<b>5,065</b>	<b>88,011</b>	<b>17,939</b>	<b>1,055,103</b>	<b>23,004</b>	<b>1,143,114</b>
						<b>1,166,118</b>

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**B9. Changes in Material Litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report except as disclosed below:

On 15th April 2019, the Company has submitted a statement of claim against the Defendant to recover RM7.0 million paid to him as part payment for shares in SM Hydro Energy Sdn Bhd ("SM Hydro"). The Group have been advised by the legal counsel that Dato' Mohd Fakrunizam Bin Ibrahim ("Defendant") had, on 10th April 2019, entered his appearance at the High Court at Kuala Lumpur pursuant to the writ filed by the Company.

On 6th April 2017, parties entered into a share sale and purchase agreement, supplemented by a supplemental share sale and purchase agreement dated 4th July 2017 ("SSPA") whereby the Company agreed to acquire all the shares of SM Hydro from the vendors upon terms and conditions stipulated therein. Announcement on the execution of the SSPA was made on 4th July 2017 and the announcement on the transfer of the shares was made on 11th July 2017. Pursuant to the representations made by the Defendant, the acquisition would allow the Company access to interest in the power project in Sandakan ("Project"). On 12<sup>th</sup> February 2018, parties to the Project were awarded a conditional award ("CLOA") of the Project. The announcement on the CLOA was made on 12th February 2018. The Company sought to negotiate the terms and conditions stipulated in the CLOA, which were onerous and not commercially viable. However, the request was unsuccessful and the Project was cancelled. By a letter dated 26th October 2018, the Energy Commission issued to the consortium consisting of SM Hydro and Sabah Development Energy (Sandakan) Sdn Bhd ("SDESB") informing SM Hydro and SDESB on the cancellation of the Project. Announcement on the cancellation of the Project was made on 29th October 2018.

Pursuant to the failure to achieve the award of the Project upon satisfactory terms in accordance with the SSPA, the Company terminated the SSPA and is seeking to recover RM7.0 million paid as part payment for shares in SM Hydro.

On 13th June 2019 the Company filed an application under Order 14 Rule 1 Rule of Court 2012 for recovery of RM 7.0 million by way of Summary Judgment (Enclosure 8). Meanwhile on 17th June 2019 the Defendant filed an application under Order 20 rule 5(1) and Order 5 rule 2(1) Rules of Court 2012 to amend its Defence and to include counter claim for the sum of RM14 million (Enclosure 10).

After hearing counsels' submissions for both applications Y.A. Dato' Indera Mohd Sofian bin Tan Sri Abd Razak had on 9th March 2020 made the following decisions:

- i. Learned Judge has allowed the Company's application in Enclosure 8 with RM 3,000 as order for costs.
- ii. In regards to Defendant's application in Enclosure 10, the Learned Judge disallowed proposed amendments to paragraphs 19 and 20 of the Proposed Amended Statement of Defence. The Learned Judge however allowed the Defendant to include Counterclaim of RM14 million against the Company.

The Defendant had served the Defence and Amended Counterclaim to the Company on 19<sup>th</sup> March 2020. The Company had duly filed Reply to Defence and Defence to Amended Counterclaim re-dated 31st March 2020.

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**B9. Changes in Material Litigation (continued)**

On another development, the Defendant had also filed for an appeal against the High Court's decision in Enclosure 8 to the Court of Appeal and a Notice of Appeal had been served by the Defendant's counsel to the Company on 19th March 2020.

The Company filed an Application to strike out the Defendant's Amended Counterclaim amounting to RM 14 mil (Enclosure 34). The hearing took place on 1.10.2020 where the High Court allowed Company's application with cost of RM 3,000.

The Defendant had also filed appeal against the High Court's decision in allowing Summary Judgement Application by the Company to the Court of Appeal. However the Defendant had filed Appeal Record outside the prescribed time as required under the Rules of the Court of Appeal 1994. To that effect, the Company had filed Striking Out Application on basis of defective appeal in Court of Appeal (Enclosure 5). On the other hand The Defendant/Appellant filed an application for leave to file record of appeal out of time (Enclosure 7). Court of Appeal's Registrar had fixed both Enclosures 5 and 7 for further case management on 17.11.2020 to update the status of affidavits exchange between the parties.

In regards to the enforcement of Summary Judgment obtained against the Defendant, the Company had instructed its Counsel to commence Bankruptcy Proceedings against the Defendant. A Bankruptcy Notice had been advertised in local Malay Newspaper (Berita Harian) dated 12th August 2020 as substituted service of the Notice to the Defendant and currently the Company's Counsel is preparing Creditor's Petition and Affidavit Verifying Petition to be filed in Court as next course of action.

We had made a conservative approach to impair RM3.5 million each in Financial Year ended 31 December 2018; Financial Year ended 31 December 2019. In the event of a positive outcome from the suit, the whole RM7.0 million will be written back.

None of the directors, major shareholders and persons connected with the directors and major shareholders of the Company has any interest, direct or indirect, in the above matter.

The Company will make further announcement if there are any material development in respect of the above matter.

**B10. Dividend Payable**

In respect of the financial year ended 31 December 2020, the first interim dividend has been declared on 26 August 2020 by way of dividend-in-specie to the shareholders of 1 share dividend for every 100 ordinary shares. The value of the share dividend per the Company treasury share is equivalent to a gross cash dividend of 0.95 sen per share. The share dividend of amounted 10,617,974 has been distributed to shareholders from Company treasury shares on 16 October 2020.

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**B11. Earnings per Share**

The calculation of the earnings per share for the Group is based on profit after taxation and non-controlling interests on the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Quarter 30.09.2019 RM'000	Current Year-To- Date 30.09.2020 RM'000	Preceding Year-To- Date 30.09.2019 RM'000
<b><u>Basic earnings/(loss) per share</u></b>				
Profit/(Loss) attributable to members of the Company	15,096	17,630	46,474	57,668
Weighted Average Number of Ordinary Shares ('000)	1,062,622	1,065,975	1,066,282	1,065,975
Basic earnings/(loss) per share (sen)	1.42	1.65	4.36	5.41

By Order of the Board  
Lau Bey Ling  
Leong Shiak Wan  
Company Secretaries  
Kuala Lumpur  
Date: 26 November 2020