

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

**Interim Financial Report**  
**30 June 2017**

**YTL POWER INTERNATIONAL BERHAD**

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**Interim Financial Report  
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**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial year ended 30 June 2017.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|   | INDIVIDUAL QUARTER                                |  | CUMULATIVE QUARTER  |                     |
|---|---|--|---------------------|---------------------|
|   | CURRENT<br>YEAR<br>QUARTER<br>30.6.2017<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>30.6.2016<br>RM'000 | 12 MONTHS ENDED     |                     |
|   |   |  | 30.6.2017<br>RM'000 | 30.6.2016<br>RM'000 |
| Revenue   | 2,586,420   | 2,166,330  | 9,778,239           | 10,245,174          |
| Cost of sales   | (2,011,950)                                       | (1,633,293)  | (7,804,673)         | (8,120,619)         |
| Gross profit  | 574,470   | 533,037  | 1,973,566           | 2,124,555           |
| Other operating income  | 20,816  | 31,823   | 72,022              | 297,644             |
| Other operating expenses  | (206,190)   | (265,292)  | (700,078)           | (843,412)           |
| Profit from operations  | 389,096   | 299,568  | 1,345,510           | 1,578,787           |
| Finance costs   | (239,197)   | (201,515)  | (846,420)           | (894,733)           |
| Share of profits of investments<br>accounted for using the equity<br>method   | 73,433  | 344,756  | 368,527             | 630,086             |
| <b>Profit before taxation</b>   | 223,332   | 442,809  | 867,617             | 1,314,140           |
| Taxation  | 264   | 50,068   | (112,957)           | (135,684)           |
| <b>Profit for the period/year</b>   | 223,596   | 492,877  | 754,660             | 1,178,456           |
| <b>Attributable to:</b>   |   |  |                     |                     |
| Owners of the parent  | 199,478   | 395,919  | 673,407             | 1,061,850           |
| Non-controlling interests   | 24,118  | 96,958   | 81,253              | 116,606             |
|   | 223,596   | 492,877  | 754,660             | 1,178,456           |
| <b>Earnings per share for profit attributable<br/>to owners of the parent</b> |   |  |                     |                     |
| Basic (sen)   | 2.57  | 5.13   | 8.69                | 14.06               |
| Diluted (sen)   | 2.56  | 5.11   | 8.66                | 13.97               |

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | INDIVIDUAL QUARTER                                |  | CUMULATIVE QUARTER  |                     |
|--|---|--|---------------------|---------------------|
|  | CURRENT<br>YEAR<br>QUARTER<br>30.6.2017<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>30.6.2016<br>RM'000 | 12 MONTHS ENDED     |                     |
|  |   |  | 30.6.2017<br>RM'000 | 30.6.2016<br>RM'000 |
| <b>Profit for the period/year</b>  | 223,596   | 492,877  | 754,660             | 1,178,456           |
| <b>Other comprehensive income/(loss):</b>  |   |  |                     |                     |
| <i>Items that will not be reclassified<br/>subsequently to income statement:</i> |   |  |                     |                     |
| Re-measurement of post-<br>employment benefit obligations                        |   |  |                     |                     |
| - Subsidiaries   | 40,333  | (77,293)   | (162,022)           | (190,578)           |
| - Associates and joint ventures  | 7,798   | (6,242)  | 7,798               | (6,242)             |
| <i>Items that may be reclassified<br/>subsequently to income statement:</i>      |   |  |                     |                     |
| Available-for-sale financial assets  | 49,726  | 7,115  | 21,564              | (4,574)             |
| Cash flow hedges   |   |  |                     |                     |
| - Subsidiaries   | (8,263)   | 324,590  | 239,841             | 58,581              |
| - Associates and joint ventures  | 1,594   | 1,232  | 10,663              | (1,561)             |
| Currency translation differences   |   |  |                     |                     |
| - Subsidiaries   | (100,601)   | 159,836  | 554,318             | 232,837             |
| - Associates and joint ventures  | (66,097)  | (71,846)   | 157,536             | (5,076)             |
| <b>Other comprehensive<br/>(loss)/income for the period/year,<br/>net of tax</b> | <b>(75,510)</b>                                   | <b>337,392</b>   | <b>829,698</b>      | <b>83,387</b>       |
| <b>Total comprehensive income for<br/>the period/year</b>                        | <b>148,086</b>                                    | <b>830,269</b>   | <b>1,584,358</b>    | <b>1,261,843</b>    |
| <b>Attributable to:</b>  |   |  |                     |                     |
| Owners of the parent   | 146,278   | 722,871  | 1,455,828           | 1,112,433           |
| Non-controlling interests  | 1,808   | 107,398  | 128,530             | 149,410             |
|  | 148,086   | 830,269  | 1,584,358           | 1,261,843           |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | <b>UNAUDITED</b> | <b>AUDITED</b>   |
|---|------------------|------------------|
|   | <b>As at</b>     | <b>As at</b>     |
|   | <b>30.6.2017</b> | <b>30.6.2016</b> |
|   | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>ASSETS</b>                                     |                  |                  |
| <b>Non-current assets</b>                         |                  |                  |
| Property, plant and equipment                     | 21,338,001       | 20,009,675       |
| Investment properties                             | 432,935          | 14,462           |
| Intangible assets                                 | 8,392,717        | 8,077,220        |
| Investments accounted for using the equity method | 2,213,158        | 2,119,011        |
| Investments                                       | 822,780          | 271,359          |
| Derivative financial instruments                  | 13,502           | 29,865           |
| Receivables, deposits and prepayments             | 1,179,658        | 367,909          |
|   | -----            | -----            |
|   | 34,392,751       | 30,889,501       |
|   | -----            | -----            |
| <b>Current assets</b>                             |                  |                  |
| Inventories                                       | 448,947          | 805,902          |
| Investments                                       | 2,503,011        | -                |
| Receivables, deposits and prepayments             | 2,179,574        | 1,724,308        |
| Derivative financial instruments                  | 51,859           | 64,547           |
| Cash and bank balances                            | 8,946,301        | 9,761,333        |
|   | -----            | -----            |
|   | 14,129,692       | 12,356,090       |
|   | -----            | -----            |
| <b>TOTAL ASSETS</b>                               | 48,522,443       | 43,245,591       |
|   | =====            | =====            |
| <b>EQUITY AND LIABILITIES</b>                     |                  |                  |
| Share capital                                     | 7,039,846        | 4,050,801        |
| Reserves  | 6,909,646        | 9,171,486        |
| Treasury shares, at cost                          | (711,308)        | (711,306)        |
|   | -----            | -----            |
| Equity attributable to owners of the parent       | 13,238,184       | 12,510,981       |
| Non-controlling interests                         | 218,140          | 242,337          |
|   | -----            | -----            |
| <b>TOTAL EQUITY</b>                               | 13,456,324       | 12,753,318       |
|   | -----            | -----            |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued**

|  | <b>UNAUDITED</b> | <b>AUDITED</b>   |
|--|------------------|------------------|
|  | <b>As at</b>     | <b>As at</b>     |
|  | <b>30.6.2017</b> | <b>30.6.2016</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>LIABILITIES</b>   |                  |                  |
| <b>Non-current liabilities</b>   |                  |                  |
| Deferred taxation  | 1,770,171        | 1,839,883        |
| Borrowings   | 23,618,429       | 23,833,881       |
| Grants and contributions   | 547,775          | 427,843          |
| Post-employment benefit obligations  | 1,115,512        | 874,272          |
| Derivative financial instruments   | 24,437           | 117,265          |
| Payables   | 862,120          | 849,995          |
|  | -----            | -----            |
|  | 27,938,444       | 27,943,139       |
|  | -----            | -----            |
| <b>Current Liabilities</b>   |                  |                  |
| Payables and accrued expenses  | 1,968,886        | 1,844,835        |
| Derivative financial instruments   | 121,980          | 248,266          |
| Post-employment benefit obligations  | 3,678            | 2,518            |
| Taxation   | 130,941          | 108,087          |
| Borrowings   | 4,902,190        | 345,428          |
|  | -----            | -----            |
|  | 7,127,675        | 2,549,134        |
|  | -----            | -----            |
| <b>TOTAL LIABILITIES</b>   | 35,066,119       | 30,492,273       |
|  | -----            | -----            |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | 48,522,443       | 43,245,591       |
|  | =====            | =====            |
| <b>Net assets per share attributable to<br/>ordinary equity holders of the parent (RM)</b> | 1.71             | 1.62             |
|  | =====            | =====            |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

|   | -----Attributable to Owners of the Parent----- |                            |   |                              |                                | Total<br>RM'000 | Non-<br>Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|---|------------------------------|--------------------------------|-----------------|--|---------------------------|
|   | Share<br>Capital<br>RM'000                     | Share<br>Premium<br>RM'000 | Merger<br>& Other<br>Reserves<br>RM'000 | Treasury<br>Shares<br>RM'000 | Retained<br>Earnings<br>RM'000 |                 |  |                           |
| At 1 July 2016  | 4,050,801                                      | 2,792,660                  | (1,713,893)                             | (711,306)                    | 8,092,719                      | 12,510,981      | 242,337                                    | 12,753,318                |
| Profit for the financial year                                       | -  | -                          | -                                       | -                            | 673,407                        | 673,407         | 81,253                                     | 754,660                   |
| Other comprehensive income for the financial year                   | -  | -                          | 936,645                                 | -                            | (154,224)                      | 782,421         | 47,277                                     | 829,698                   |
| Total comprehensive income for the financial year                   | -  | -                          | 936,645                                 | -                            | 519,183                        | 1,455,828       | 128,530                                    | 1,584,358                 |
| Dividends paid to non-controlling interests                         | -  | -                          | -                                       | -                            | -                              | -               | (152,727)                                  | (152,727)                 |
| Interim dividends paid for the financial year ended<br>30 June 2016 | -  | -                          | -                                       | -                            | (775,865)                      | (775,865)       | -  | (775,865)                 |
| Issue of share capital  | 20,762   | 26,480                     | -                                       | -                            | -                              | 47,242          | -  | 47,242                    |
| Share option lapsed   | -  | -                          | (320)                                   | -                            | 320                            | -               | -  | -                         |
| Share repurchased   | -  | -                          | -                                       | (2)                          | -                              | (2)             | -  | (2)                       |
| Warrants reserves   | 6  | 4,137                      | (4,143)                                 | -                            | -                              | -               | -  | -                         |
| Transition to no-par value regime*                                  | 2,968,277                                      | (2,823,277)                | (145,000)                               | -                            | -                              | -               | -  | -                         |
| At 30 June 2017   | 7,039,846                                      | -                          | (926,711)                               | (711,308)                    | 7,836,357                      | 13,238,184      | 218,140                                    | 13,456,324                |

\* Effective from 31 January 2017, the new Companies Act 2016 ("Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium and capital redemption reserve account become part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) and 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

|  | -----Attributable to Owners of the Parent----- |                         |                                   |                           |                             |                 | Non-Controlling Interests<br>RM'000 | Total Equity<br>RM'000 |
|--|--|-------------------------|-----------------------------------|---------------------------|-----------------------------|-----------------|-------------------------------------|------------------------|
|  | Share Capital<br>RM'000                        | Share Premium<br>RM'000 | Merger & Other Reserves<br>RM'000 | Treasury Shares<br>RM'000 | Retained Earnings<br>RM'000 | Total<br>RM'000 |                                     |                        |
| At 1 July 2015   | 3,710,825                                      | 2,287,408               | (1,892,193)                       | (711,304)                 | 7,998,951                   | 11,393,687      | 235,008                             | 11,628,695             |
| Profit for the financial year                                    | -  | -                       | -                                 | -                         | 1,061,850                   | 1,061,850       | 116,606                             | 1,178,456              |
| Other comprehensive income for the financial year                | -  | -                       | 247,403                           | -                         | (196,820)                   | 50,583          | 32,804                              | 83,387                 |
| Total comprehensive income for the financial year                | -  | -                       | 247,403                           | -                         | 865,030                     | 1,112,433       | 149,410                             | 1,261,843              |
| Effects arising from changes in composition of the Group         | -  | -                       | -                                 | -                         | -                           | -               | 16,464                              | 16,464                 |
| Dividends paid to non-controlling interests                      | -  | -                       | -                                 | -                         | -                           | -               | (158,545)                           | (158,545)              |
| Interim dividends paid for the financial year ended 30 June 2015 | -  | -                       | -                                 | -                         | (771,722)                   | (771,722)       | -                                   | (771,722)              |
| Issue of share capital   | 339,976  | 437,789                 | (1,180)                           | -                         | -                           | 776,585         | -                                   | 776,585                |
| Share option lapsed  | -  | -                       | (460)                             | -                         | 460                         | -               | -                                   | -                      |
| Share repurchased  | -  | -                       | -                                 | (2)                       | -                           | (2)             | -                                   | (2)                    |
| Warrants reserves  | -  | 67,463                  | (67,463)                          | -                         | -                           | -               | -                                   | -                      |
| At 30 June 2016  | 4,050,801                                      | 2,792,660               | (1,713,893)                       | (711,306)                 | 8,092,719                   | 12,510,981      | 242,337                             | 12,753,318             |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.



**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

|   | <b>12 MONTHS ENDED</b> |                  |
|---|------------------------|------------------|
|   | <b>30.6.2017</b>       | <b>30.6.2016</b> |
|   | <b>RM'000</b>          | <b>RM'000</b>    |
| <b>Cash flows from operating activities</b>                                   |                        |                  |
| Profit for the financial year   | 754,660                | 1,178,456        |
| Adjustment for:   |                        |                  |
| Allowance for impairment of inventories                                       | 1,638                  | 1,822            |
| Allowance for impairment of property, plant and equipment                     | 24                     | 7                |
| Allowance for/(Write back of) impairment of receivables<br>(net of reversals) | 96,862                 | (74,866)         |
| Amortisation of deferred income   | (3,136)                | (4,277)          |
| Amortisation of grants and contributions                                      | (14,774)               | (17,005)         |
| Amortisation of intangible assets   | 86,628                 | 100,665          |
| Depreciation of property, plant and equipment                                 | 1,047,658              | 1,222,954        |
| Interest expense  | 846,420                | 894,733          |
| Interest income   | (22,076)               | (71,025)         |
| Net gain on disposal of property, plant and equipment                         | (18,075)               | (23,158)         |
| Provision for post-employment benefit   | 71,091                 | 73,125           |
| Share of profits of investments accounted for using the equity<br>method      | (368,527)              | (630,086)        |
| Taxation  | 112,957                | 135,684          |
| Unrealised gain on foreign exchange   | (1,154)                | (26,171)         |
| Other non-cash items  | 29,708                 | 29,091           |
|   | -----                  | -----            |
|   | 2,619,904              | 2,789,949        |
| Changes in working capital:   |                        |                  |
| Inventories   | 7,641                  | (402,517)        |
| Receivables, deposits and prepayments   | (1,145,846)            | 645,847          |
| Payables and accrued expenses   | 74,606                 | (112,742)        |
|   | -----                  | -----            |
| Cash flows from operations  | 1,556,305              | 2,920,537        |
| Interest paid   | (717,144)              | (848,669)        |
| Payment for provision and liabilities   | (1,053)                | (9,288)          |
| Payment to post-employment benefit obligations                                | (89,207)               | (107,791)        |
| Tax paid  | (203,200)              | (269,098)        |
|   | -----                  | -----            |
| Net cash flows from operating activities                                      | 545,701                | 1,685,691        |
|   | -----                  | -----            |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 - Continued**

|  | <b>12 MONTHS ENDED</b> |                  |
|--|------------------------|------------------|
|  | <b>30.6.2017</b>       | <b>30.6.2016</b> |
|  | <b>RM'000</b>          | <b>RM'000</b>    |
| <b>Cash flows from investing activities</b>                            |                        |                  |
| Acquisition of subsidiaries  | (1,240)                | (8,222)          |
| Additional investments accounted for using the equity method           | -                      | (3,097)          |
| Additional investments   | (3,015,376)            | -                |
| Dividends received   | 398,108                | 408,438          |
| Grants received  | 57,386                 | 59,578           |
| Interest received  | 23,565                 | 69,653           |
| Prepayment for land acquisition  | (39,586)               | (96,990)         |
| Proceeds from disposal of investments                                  | 1,207                  | -                |
| Proceeds from disposal of property, plant and equipment                | 14,603                 | 26,251           |
| Purchase of intangible assets  | (52,666)               | (72,145)         |
| Purchase of investment properties                                      | (38,200)               | (16,418)         |
| Purchase of property, plant and equipment                              | (1,739,828)            | (1,252,015)      |
|  | -----                  | -----            |
| Net cash flows used in investing activities                            | (4,392,027)            | (884,967)        |
|  | -----                  | -----            |
| <b>Cash flows from financing activities</b>                            |                        |                  |
| Dividends paid   | (775,865)              | (771,722)        |
| Dividends paid to non-controlling interests                            | (152,727)              | (158,545)        |
| Proceeds from borrowings   | 3,839,428              | 1,778,981        |
| Proceeds from issue of shares  | 47,242                 | 776,585          |
| Repayment of borrowings  | (281,123)              | (2,335,716)      |
| Repurchase of own shares   | (2)                    | (2)              |
|  | -----                  | -----            |
| Net cash flows from/(used in) financing activities                     | 2,676,953              | (710,419)        |
|  | -----                  | -----            |
| Net changes in cash and cash equivalents                               | (1,169,373)            | 90,305           |
| Effects of exchange rate changes                                       | 416,304                | 82,559           |
| Cash and cash equivalents at beginning of the financial year           | 9,696,102              | 9,523,238        |
|  | -----                  | -----            |
| Cash and cash equivalents at end of the financial year <i>[Note a]</i> | 8,943,033              | 9,696,102        |
|  | =====                  | =====            |

*[Note a]*

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

|   | <b>RM'000</b> | <b>RM'000</b> |
|---|---------------|---------------|
| Fixed deposits                                      | 8,439,314     | 9,296,705     |
| Cash and bank balances                              | 506,987       | 464,628       |
| Bank overdrafts                                     | (3,268)       | (65,231)      |
| (included within short term borrowing in [Note B9]) |               |               |
|   | -----         | -----         |
|   | 8,943,033     | 9,696,102     |
|   | =====         | =====         |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT**

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2016.

**A1. Accounting Policies and Methods of Computation**

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

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2016.

The adoption of MFRSs or amendments to MFRSs which were effective for financial year beginning on or after 1 July 2016 do not have significant financial impact on the Group.

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2016.

**A2. Seasonality or Cyclicity of Operations**

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

**A3. Unusual Items**

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

**A4. Changes in Estimates of Amounts Reported**

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

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**A5. Changes in Debt and Equity Securities**

During the current financial quarter and financial year to date, the Company issued 37,809 and 41,440,107 ordinary shares respectively, pursuant to the exercise of Warrants 2008/2018 at a weighted average exercise price of RM1.14 per share.

There was no share issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme during the current financial quarter and financial year to date.

A total of 1,100 ordinary shares were repurchased from the open market for a total consideration of RM1,727 for the current financial year to date. There was no share buyback for the current financial quarter. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2017, the number of treasury shares held was 384,266,779 ordinary shares.

On 3 May 2017, the Company issued Islamic Medium Term Notes under the Shariah Principle of Murabahah (via Tawarruq Arrangement) ("Sukuk Murabahah") of RM2.5 billion due on 3 May 2027 at a profit rate of 5.05% per annum. The net proceeds of the issuance will be utilised to refinance borrowings, finance future projects and for general corporate purposes.

The outstanding debts are as disclosed in Note B9.

**A6. Dividends Paid**

The following dividend payment was made during the financial year ended 30 June 2017:

|  | <u>RM'000</u>  |
|--|----------------|
| In respect of the financial year ended 30 June 2016:   |                |
| An interim single tier dividend of 20% or 10 sen per ordinary share of<br>50 sen each paid on 15 November 2016 | <u>775,865</u> |

**A7. Segment Information**

The Group has five reportable segments as described below:

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

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

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

Segment information for the financial year ended 30 June 2017:

|   | <b>Power<br/>generation<br/>(Contracted)<br/>RM'000</b> | <b>Multi<br/>utilities<br/>business<br/>(Merchant)<br/>RM'000</b> | <b>Water &amp;<br/>sewerage<br/>RM'000</b> | <b>Mobile<br/>broadband<br/>network<br/>RM'000</b> | <b>Investment<br/>holding<br/>activities<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|---|---|---|--|--|---|-------------------------|
| <b>External<br/>Revenue</b>                     | -   | 5,626,175   | 3,116,323                                  | 825,088  | 210,653   | 9,778,239               |
| <b>Inter-segment<br/>Revenue</b>                | -   | -   | -  | 5,684  | 80,400  | 86,084                  |
| <b>Segment<br/>profit/(loss)<br/>before tax</b> | (104,324)   | 157,982   | 877,318                                    | (119,080)  | 55,721  | 867,617                 |

Segment information for the financial year ended 30 June 2016:

|   | <b>Power<br/>generation<br/>(Contracted)<br/>RM'000</b> | <b>Multi<br/>utilities<br/>business<br/>(Merchant)<br/>RM'000</b> | <b>Water &amp;<br/>sewerage<br/>RM'000</b> | <b>Mobile<br/>broadband<br/>network<br/>RM'000</b> | <b>Investment<br/>holding<br/>activities<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|---|---|---|--|--|---|-------------------------|
| <b>External<br/>Revenue</b>                     | 290,116   | 5,686,818   | 3,350,811                                  | 702,075  | 215,354   | 10,245,174              |
| <b>Inter-<br/>segment<br/>Revenue</b>           | -   | -   | -  | 1,523  | 94,640  | 96,163                  |
| <b>Segment<br/>profit/(loss)<br/>before tax</b> | 166,793   | 93,664  | 963,635                                    | (277,039)  | 367,087   | 1,314,140               |

**A8. Events After the Interim Period**

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

## **YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**

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### **INTERIM FINANCIAL REPORT**

#### **Notes – continued**

#### **A9. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial year ended 30 June 2017, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 24 November 2016, YTL Land and Property (UK) Ltd (“YTL Land & Property”) (an indirect wholly-owned subsidiary of the Company) acquired the entire issued share capital comprising 1 ordinary share of GBP1 in YTL Developments (UK) Limited (“YTL Developments”) for GBP1.

As a result, YTL Developments became an indirect wholly-owned subsidiary of the Company. YTL Developments was incorporated on 24 November 2016 in England & Wales is principally involved in construction.

- (ii) On 1 December 2016, Wessex Water Limited (“WWL”) (an indirect wholly-owned subsidiary of the Company) acquired from Waterlevel Limited (formerly known as Albion Water Group Limited) fifty-one (51) B-ordinary shares of the nominal value of GBP0.01, representing 51% of the issued share capital of Albion Water Limited (“Albion”) for GBP227,505.21 in cash. As a result, Albion became a subsidiary of WWL and an indirect subsidiary of the Company.

Albion was incorporated on 14 September 1995 in England & Wales. It is a licensed water supplier, providing retail water, wastewater, drainage and wider environmental services.

- (iii) On 23 December 2016, YTL Land & Property acquired the entire issued share capital comprising 1 ordinary share of GBP1 in YTL Places Limited (“YTL Places”) for GBP1.

As a result, YTL Places became an indirect wholly-owned subsidiary of the Company. YTL Places was incorporated on 23 December 2016 in England & Wales and will be principally involved in development/construction.

- (iv) On 7 February 2017, YTL Land & Property acquired the entire issued share capital of YTL Property Holdings (UK) Limited (“YTL Property Holdings”) comprising 1 share of the nominal value of GBP1 from YTL Utilities (UK) Limited (an indirect wholly-owned subsidiary of the Company) for GBP1. As a result, YTL Property Holdings became a direct subsidiary of YTL Land & Property but remained an indirect wholly-owned subsidiary of the Company. The re-organisation was intended to reposition YTL Property Holdings for future development opportunities.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

- (v) On 21 February 2017, YTL Jordan Services Holdings Limited (“YTLJSH”) (a wholly-owned subsidiary of the Company incorporated in Cyprus) completed the disposal of its 30 ordinary shares of USD1 each, representing 30% of the issued share capital of Attarat Operation & Maintenance Company B.V. (“OMCO”) to Yudean International Development Limited (“Yudean”) for a consideration of USD30 in accordance with the terms and conditions of the share purchase agreement dated 6 May 2016.

Consequent thereto, OMCO ceased to be a subsidiary of YTLJSH and became an associated company of YTLJSH and the Company as YTLJSH holds a balance of 45 ordinary shares of USD1 each, representing 45% of the issued share capital of OMCO.

- (vi) On 20 June 2017, Wessex Concierge Services Limited (“Wessex Concierge Services”) and Wessex Concierge Limited (“Wessex Concierge”) were incorporated in England and Wales, each having an issued share capital of GBP1 comprising 1 ordinary share of the nominal value of GBP1 and held by Wessex Concierge and Wessex Water Limited (an indirect wholly-owned subsidiary of the Company), respectively. As a result, Wessex Concierge Services and Wessex Concierge became indirect wholly-owned subsidiaries of the Company.

Wessex Concierge is principally involved in investment holding while Wessex Concierge Services is mainly involved in the business of the provision of energy switching and price monitoring services.

**A10. Changes in Contingent Liabilities**

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2016.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**A11. Fair value measurement**

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

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

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

|   | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000  |
|---|-------------------|-------------------|-------------------|------------------|
| <b>30.6.2017</b>  |                   |                   |                   |                  |
| <b>Assets</b>   |                   |                   |                   |                  |
| Financial assets at fair value through profit or loss:      |                   |                   |                   |                  |
| - Trading derivatives                                       | -                 | 1,002             | -                 | 1,002            |
| - Trading securities  | 3,037,828         | -                 | -                 | 3,037,828        |
| Available-for-sale  | 56,516            | 97                | 231,350           | 287,963          |
| Derivatives used for hedging                                | -                 | 64,359            | -                 | 64,359           |
| <b>Total assets</b>   | <b>3,094,344</b>  | <b>65,458</b>     | <b>231,350</b>    | <b>3,391,152</b> |
| <b>Liabilities</b>  |                   |                   |                   |                  |
| Financial liabilities at fair value through profit or loss: |                   |                   |                   |                  |
| - Trading derivatives                                       | -                 | 11,833            | -                 | 11,833           |
| Derivatives used for hedging                                | -                 | 134,584           | -                 | 134,584          |
| <b>Total liabilities</b>                                    | <b>-</b>          | <b>146,417</b>    | <b>-</b>          | <b>146,417</b>   |

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**INTERIM FINANCIAL REPORT**

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

**B1. Review of the Results**

The comparison of the results is tabulated below:

|                                      | <b>Individual Quarter</b> |                  | <b>Cumulative Quarter</b> |                   |
|--------------------------------------|---------------------------|------------------|---------------------------|-------------------|
|                                      | <b>30.6.2017</b>          | <b>30.6.2016</b> | <b>30.6.2017</b>          | <b>30.6.2016</b>  |
|                                      | <b>RM'000</b>             | <b>RM'000</b>    | <b>RM'000</b>             | <b>RM'000</b>     |
| <b>Revenue</b>                       |                           |                  |                           |                   |
| Power generation (Contracted)        | -                         | -                | -                         | 290,116           |
| Multi utilities business (Merchant)  | 1,410,080                 | 1,133,192        | 5,626,175                 | 5,686,818         |
| Water & sewerage                     | 856,070                   | 793,219          | 3,116,323                 | 3,350,811         |
| Mobile broadband network             | 232,699                   | 190,553          | 825,088                   | 702,075           |
| Investment holding activities        | 87,571                    | 49,366           | 210,653                   | 215,354           |
|                                      | <u>2,586,420</u>          | <u>2,166,330</u> | <u>9,778,239</u>          | <u>10,245,174</u> |
| <b>Profit/(Loss) before taxation</b> |                           |                  |                           |                   |
| Power generation (Contracted)        | (14,658)                  | (10,854)         | (104,324)                 | 166,793           |
| Multi utilities business (Merchant)  | 25,344                    | 7,744            | 157,982                   | 93,664            |
| Water & sewerage                     | 207,450                   | 251,747          | 877,318                   | 963,635           |
| Mobile broadband network             | (22,741)                  | (102,999)        | (119,080)                 | (277,039)         |
| Investment holding activities        | 27,937                    | 297,171          | 55,721                    | 367,087           |
|                                      | <u>223,332</u>            | <u>442,809</u>   | <u>867,617</u>            | <u>1,314,140</u>  |

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded a revenue of RM2,586.4 million for the current financial quarter ended 30 June 2017 as compared to RM2,166.3 million recorded in the preceding year corresponding quarter ended 30 June 2016. The Group profit before taxation for the current financial quarter was RM223.3 million, a decrease of RM219.5 million or 49.6% as compared to a profit of RM442.8 million recorded in the preceding year corresponding quarter. Higher share of results of associate in Indonesia was recorded due to an increase in deferred tax credit on revaluation of Power Plant assets for tax purposes of RM260.1 million in the preceding year corresponding quarter. Adjusting for the one-off deferred tax credit, the profit before tax would have been RM182.7 million. Hence, the current quarter profit before tax of RM223.3 million as compared to the adjusted corresponding quarter increased by RM40.6 million or 22.2%, principally attributable to the better performance of the Mobile broadband segment, Multi utilities business segment and partially offset by lower profit recorded by the Water & sewerage segment.

Performance of the respective operating business segments for the quarter ended 30 June 2017 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)

The short-term capacity generation from Paka Plant is scheduled to commence on 1 September 2017. The loss recorded in the current quarter was mainly depreciation charges and overhead costs.

## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

#### Multi utilities business (Merchant)

The higher revenue and profit before taxation was mainly due to higher fuel price coupled with lower operating and interest expenses.

#### Water & sewerage

The higher revenue was mainly due to the opening of the retail market for non-household customers and increase in price as allowed by regulator. The lower profit before taxation was mainly due to the higher interest expenses and strengthening of Ringgit Malaysia against Great Britain Pound.

#### Mobile broadband network

Despite the challenges, this segment continues to focus on increasing its subscriber base.

#### Investment holding activities

The increase in revenue was mainly contributed by higher interest income. The lower profit before taxation was mainly due to higher interest expenses incurred in the current quarter and a one-off deferred tax credit on revaluation of Power Plant assets in Indonesia in the preceding year corresponding quarter.

### b) Current Year to date vs Preceding Year to date

Group revenue was RM9,778.2 million for the current financial year ended 30 June 2017 as compared to RM10,245.2 million recorded in the preceding financial year ended 30 June 2016. The Group profit before taxation for the current financial year was RM867.6 million, a decrease of RM446.5 million or 34.0% as compared to a profit of RM1,314.1 million recorded in the preceding year. In the preceding year to date, there was a one-off gain from an arbitration award on recovery of impairment of receivable before tax of RM152.6 million, interest income of RM38.0 million in the Power generation (Contracted) segment and deferred tax credit of RM260.1 million by an associate. Adjusting for the one-off gain and deferred tax credit, the profit before taxation would have been RM863.4 million, which is comparable to a profit of RM867.6 million recorded in the current year to date.

Performance of the respective operating business segments for the year ended 30 June 2017 as compared to the preceding year was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

#### Power generation (Contracted)

There were three months of revenue recorded in the preceding year to date as the original power purchase agreement period expired on 30 September 2015. The extension for the supply of 585MW of capacity from the existing facility in Paka for a revised term of 3 years 10 months commencing from the Commercial Operation Date is scheduled to occur on 1 September 2017.

#### Multi utilities business (Merchant)

The lower revenue was mainly due to lower electricity unit sold. However, lower operating and interest expenses gave rise to a higher profit before taxation.

## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

#### Mobile broadband network

This segment recorded an increase in revenue and improved financial performance following the launch of the nationwide 4G LTE services.

#### Water & sewerage

The decrease in revenue and profit before taxation was mainly due to the strengthening of Ringgit Malaysia against Great Britain Pound.

### **B2. Comparison with Preceding Quarter**

|                                     | <b>Current<br/>Quarter<br/>30.6.2017<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>31.3.2017<br/>RM'000</b> |
|-------------------------------------|---|---|
| Revenue                             | 2,586,420   | 2,386,464   |
| Consolidated profit before taxation | 223,332   | 215,559   |
| Consolidated profit after taxation  | 223,596   | 190,313   |

The increase in Group revenue and profit before taxation was primarily attributable to higher returns accorded by Water & sewerage segment and lower losses recorded by Power generation (contracted) segment. The higher profit after taxation was mainly due to recognition of deferred tax credit arising from reduction in UK corporation tax rate of 18% to 17%, effective from 1 April 2020.

### **B3. Prospects**

#### Power generation (Contracted)

The Group has an 80% equity interest in PT Tanjung Jati Power Company (TJPC), an independent power producer which is undertaking the development of Tanjung Jati A, a 2 x 660 megawatt coal-fired power project in Java, Indonesia. TJPC has a 30-year power purchase agreement (from the plant Commercial Operation Date (COD)) with PT PLN (Persero), Indonesia's state-owned electric utility company, amended and restated in December 2015. The project is currently in the development stage and progress is underway towards achieving financial close.

The Group also completed the increase in its equity interest in Attarat Power Company (APCO) to 45% (from 30% previously) upon the project achieving financial close on 16 March 2017. APCO is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year power purchase agreement (including construction period of 3&1/2 years) with the National Electric Power Company (NEPCO), the Jordan state-owned utility, for the entire electrical capacity and energy of the power plant with an option for NEPCO to extend the power purchase agreement to 40 years (from COD of Unit 2). The power station is under development and scheduled to commence operation in mid-2020.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

Power generation (Contracted)

On 20 April 2017, pursuant to negotiations with the Government, the Energy Commission (EC) issued a revised Letter of Award to YTL Power Generation Sdn. Bhd. (YTLPG) accepting YTLPG's bid for the supply of 585MW of capacity from the existing facility in Paka for a term of 3 years 10 months (an additional 12 months from the original award of 2 years 10 months) commencing from the Commercial Operation Date of the project. Pursuant to the Letter of Award, YTLPG and Tenaga Nasional Berhad (Tenaga) entered into a Power Purchase Agreement (PPA) and a Land Lease Agreement both dated 9 May 2017. The Land Lease Agreement supersedes the existing land lease for Paka and is for a term of 5 years 10 months from the Commercial Operation Date which is scheduled to occur on 1 September 2017. On 15 May 2017, Tenaga withdrew its application for judicial review against the EC and the Government. On 22 May 2017, YTLPG and Petronas entered into the Gas Supply Agreement (GSA) for the supply of natural gas to the power station. The PPA and GSA are both subject to certain conditions precedent, the last of which is expected to be fulfilled by 1 September 2017.

Multi utilities business (Merchant)

The electricity market in Singapore will remain competitive, driven by volatilities across global markets and generation capacity oversupply in the wholesale electricity market. Despite the current challenges, this segment will continue to focus on customer service, diversification beyond the core business into integrated multi-utilities supply and non-regulated ancillary businesses in steam sales, oil storage tank leasing, bunkering services and potable water sales.

Water & sewerage

Wessex Water which operates under a strict regulatory regime is confident of delivering its 2015-20 regulatory outperformance target by improving its business processes and will continue to provide customers with first-class affordable service.

Mobile broadband network

This segment has successfully launched its nationwide 4G LTE services for mobile devices and becoming Malaysia's first voice over LTE (VoLTE) service provider. This business segment will continuously be coming up with more competitive products to increase the subscriber base to generate higher revenue.

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

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

**B5. Audit Report of the preceding financial year ended 30 June 2016**

The Auditors' Report on the financial statements of the financial year ended 30 June 2016 did not contain any qualification.

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**Notes – continued**

**B6. Profit for the period/year**

|   | <b>Current<br/>Quarter<br/>30.6.2017<br/>RM'000</b> | <b>Current<br/>Year<br/>To Date<br/>30.6.2017<br/>RM'000</b> |
|---|---|--|
| <b>Profit before taxation is stated after charging/(crediting):</b> |   |  |
| Allowance for impairment of inventories                             | 233   | 1,638  |
| Allowance for impairment of property, plant and equipment           | 24  | 24   |
| Allowance for impairment of receivables (net of reversals)          | 10,105  | 96,862   |
| Amortisation of deferred income                                     | (3,136)   | (3,136)  |
| Amortisation of grants and contributions                            | (131)   | (14,774)   |
| Amortisation of intangible assets                                   | 31,052  | 86,628   |
| Depreciation of property, plant and equipment                       | 264,175   | 1,047,658  |
| Interest income   | (2,833)   | (22,076)   |
| Interest expense  | 239,197   | 846,420  |
| Gain on foreign exchange  | (3,481)   | (3,087)  |
| Net gain on disposal of property, plant and equipment               | (7,354)   | (18,075)   |
|   | =====   | =====  |

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

**B7. Taxation**

|                                   | <b>Current<br/>Quarter<br/>30.6.2017<br/>RM'000</b> | <b>Current<br/>Year<br/>To Date<br/>30.6.2017<br/>RM'000</b> |
|-----------------------------------|---|--|
| In respect of current period/year |   |  |
| - Income Tax                      | 62,685  | 226,043  |
| - Deferred Tax                    | (62,949)  | (113,086)  |
|                                   | -----   | -----  |
|                                   | (264)   | 112,957  |
|                                   | =====   | =====  |

The lower effective tax rate of the Group as compared to Malaysian statutory income tax rate was mainly due to recognition of deferred tax credit arising from reduction in UK corporation tax rate of 18% to 17%, effective from 1 April 2020.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B8. Corporate Proposals**

There were no corporate proposals announced by the Company which are not completed as at the date of this report.

**B9. Group Borrowings and Debt Securities**

The Group's borrowings from financial institutions as at 30 June 2017 are as follows:

|           | Short term      |                      | Long term       |                      | Total<br>RM'000 |
|-----------|-----------------|----------------------|-----------------|----------------------|-----------------|
|           | Bonds<br>RM'000 | Borrowings<br>RM'000 | Bonds<br>RM'000 | Borrowings<br>RM'000 |                 |
| Secured   | -               | 85,760               | -               | 41,800               | 127,560         |
| Unsecured | -               | 4,816,430            | 16,117,185      | 7,459,444            | 28,393,059      |
| Total     | -               | 4,902,190            | 16,117,185      | 7,501,244            | 28,520,619      |

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

|                            |           |
|----------------------------|-----------|
| In US Dollar ('000)        | 646,069   |
| In Sterling Pound ('000)   | 2,048,797 |
| In Singapore Dollar ('000) | 2,214,491 |

All borrowings of subsidiaries are on a non-recourse basis to the Company.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B10. Derivative Financial Instruments, Fair Value Changes of Financial Liabilities and Realised and Unrealised Profits or Losses**

(a) Derivative Financial Instruments

As at 30 June 2017, the Group's outstanding derivatives are as follows:

| <b>Type of Derivatives</b>      | <b>Contract/Notional Value<br/>RM'000</b> | <b>Fair Value<br/>RM'000</b> |
|---------------------------------|---|------------------------------|
| <b><u>Fuel oil Swaps</u></b>    |   |                              |
| - Less than 1 year              | 1,037,230                                 | 966,570                      |
| - 1 year to 3 years             | 306,580                                   | 297,231                      |
| - More than 3 years             | -   | -                            |
| <b><u>Currency forwards</u></b> |   |                              |
| - Less than 1 year              | 1,080,649                                 | 1,081,188                    |
| - 1 year to 3 years             | 421,345                                   | 419,759                      |
| - More than 3 years             | -   | -                            |

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

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

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

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

(b) Fair Value Changes of Financial Liabilities

The losses arising from fair value changes of financial liabilities for the current financial year ended 30 June 2017 are as follows:

| Type of financial liabilities               | Basis of fair value measurement   | Reason for the loss   | Fair value loss                        |  |
|---|---|---|--|--|
|   |   |   | Current quarter<br>30.6.2017<br>RM'000 | Current year<br>to date<br>30.6.2017<br>RM'000 |
| Forward foreign currency exchange contracts | Foreign exchange differential between the contracted rate and the market forward rate | Foreign exchange rates differential between the contracted rate and the market forward rate which have moved unfavourably against the Group | (2,239)                                | (2,244)  |
| Fuel oil swap                               | Fuel oil price differential between the contracted price and the market forward price | Fuel oil price differential between the contracted price and the market forward price which have moved unfavourably against the Group       | (5,929)                                | (8,766)  |
| Total                                       |   |   | (8,168)                                | (11,010)                                       |

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

(c) Realised and Unrealised Profits or Losses

|  | <b>As at<br/>30.6.2017<br/>RM'000</b> | <b>Audited<br/>As at<br/>30.6.2016<br/>RM'000</b> |
|--|---------------------------------------|---|
| Retained earnings/(Accumulated losses) of the Group  |                                       |   |
| - Realised   | 6,721,715                             | 7,020,127   |
| - Unrealised   | (319,846)                             | (283,475)   |
|  | -----                                 | -----   |
|  | 6,401,869                             | 6,736,652   |
|  | -----                                 | -----   |
| Retained earnings/(Accumulated losses) from<br>investments accounted for using the equity method |                                       |   |
| - Realised   | 974,229                               | 942,330   |
| - Unrealised   | 43,558                                | 66,134  |
|  | -----                                 | -----   |
|  | 1,017,787                             | 1,008,464   |
|  | -----                                 | -----   |
| Add: Consolidation adjustments   | 416,701                               | 347,603   |
|  | -----                                 | -----   |
| Total Group retained earnings  | <u>7,836,357</u>                      | <u>8,092,719</u>                                  |
|  | =====                                 | =====   |

**B11. Material Litigation**

There were no changes to the material litigations since the date of the last audited financial statements of financial position.

During the previous financial year, a foreign subsidiary of the Group commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following termination of their electricity retail contracts. The customers have filed their defence and counterclaims, and the matter is now awaiting trial.

Based on legal advice sought by the board, the subsidiary has strong prospects of succeeding in its claim and the customers are highly unlikely to succeed in their counterclaims. Thus, no provision has been made for potential losses that may arise from the counterclaims.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B12. Dividend**

The Board of Directors (“Board”) is pleased to declare an interim single tier dividend of 5 sen per ordinary share for the financial year ended 30 June 2017.

The book closure and payment dates in respect of the aforesaid dividend are 26 October 2017 and 10 November 2017, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2017 (2016: nil).

**B13. Earnings Per Share**

**i) Basic Earnings Per Share**

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

|  | <b>Current<br/>Year<br/>Quarter<br/>30.6.2017</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/>30.6.2016</b> |
|--|---|---|
| Profit attributable to Owners of the Parent (RM'000) | 199,478   | 395,919   |
| Weighted average number of ordinary shares ('000)    | 7,758,756   | 7,717,328   |
| Basic earnings per share (Sen)                       | 2.57  | 5.13  |

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**ii) Diluted Earnings Per Share**

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

|  | <b>Current<br/>Year<br/>Quarter<br/>30.6.2017</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/>30.6.2016</b> |
|--|---|---|
| Profit attributable to Owners of the Parent<br>(RM'000)                | 199,478<br>=====                                  | 395,919<br>=====  |
| <i>Weighted average number of<br/>ordinary shares – diluted ('000)</i> |   |   |
| Weighted average number of<br>ordinary shares – basic                  | 7,758,756   | 7,717,328   |
| Effect of unexercised Warrants 2008/2018                               | 27,278  | 34,535  |
| Effect of unexercised ESOS   | 4,332   | 2,797   |
|  | -----<br>7,790,366<br>=====                       | -----<br>7,754,660<br>=====   |
| Diluted earnings per share (Sen)                                       | 2.56<br>=====                                     | 5.11<br>=====   |

\* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS is RM307.9 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM307.9 million resulting in a decrease in NA per share of RM0.01. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.*

**By Order of the Board**  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 29 August 2017