

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

Interim Financial Report
30 September 2013

YTL POWER INTERNATIONAL BERHAD

Company No. 406684-H
Incorporated in Malaysia

**Interim Financial Report
30 September 2013**

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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 September 2013.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	3 MONTHS ENDED	3 MONTHS ENDED
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
REVENUE	3,981,132	4,179,125	3,981,132	4,179,125
COST OF SALES	(3,345,170)	(3,723,514)	(3,345,170)	(3,723,514)
GROSS PROFIT	635,962	455,611	635,962	455,611
OTHER OPERATING INCOME	6,627	98,363	6,627	98,363
OTHER OPERATING EXPENSES	(281,200)	(121,551)	(281,200)	(121,551)
PROFIT FROM OPERATIONS	361,389	432,423	361,389	432,423
FINANCE COSTS	(196,964)	(201,519)	(196,964)	(201,519)
SHARE OF PROFITS OF ASSOCIATES	84,854	83,443	84,854	83,443
PROFIT BEFORE TAXATION	249,279	314,347	249,279	314,347
TAXATION	(13,603)	(62,500)	(13,603)	(62,500)
PROFIT FOR THE PERIOD	235,676	251,847	235,676	251,847
ATTRIBUTABLE TO:				
Owners of the Parent	234,822	252,806	234,822	252,806
Non-Controlling Interests	854	(959)	854	(959)
	235,676	251,847	235,676	251,847
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT				
Basic (Sen)	3.32	3.47	3.32	3.47
Diluted (Sen)	3.17	3.29	3.17	3.29

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER PRECEDING		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2013 RM'000	YEAR CORRESPONDING QUARTER 30.9.2012 RM'000	3 MONTHS ENDED	
			30.9.2013 RM'000	30.9.2012 RM'000
PROFIT FOR THE PERIOD	235,676	251,847	235,676	251,847
OTHER COMPREHENSIVE INCOME/(LOSS):				
<i>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS</i>				
AVAILABLE-FOR-SALE RESERVE	(557)	(11,305)	(557)	(11,305)
HEDGING RESERVE	4,527	220,064	4,527	220,064
CURRENCY TRANSLATION DIFFERENCES	522,085	(46,892)	522,085	(46,892)
	-----	-----	-----	-----
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	526,055	161,867	526,055	161,867
	-----	-----	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	761,731	413,714	761,731	413,714
	=====	=====	=====	=====
ATTRIBUTABLE TO:				
Owners of the Parent	748,946	430,776	748,946	430,776
Non-Controlling Interests	12,785	(17,062)	12,785	(17,062)
	-----	-----	-----	-----
	761,731	413,714	761,731	413,714
	=====	=====	=====	=====

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at	As at
	30.9.2013	30.6.2013
		(Restated)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	18,472,167	17,306,408
Intangible Assets	6,901,307	6,699,791
Investment in associates	1,681,334	1,731,905
Investments	194,198	195,590
Derivative Financial Instruments	5,472	7,850
Receivables, deposits and prepayments	720,949	693,974
	-----	-----
	27,975,427	26,635,518
	-----	-----
Current Assets		
Inventories	507,112	503,587
Receivables, Deposits and Prepayments	2,002,143	2,139,039
Derivative Financial Instruments	30,504	37,654
Cash and Bank Balances	9,477,146	9,623,527
	-----	-----
	12,016,905	12,303,807
	-----	-----
TOTAL ASSETS	39,992,332	38,939,325
	=====	=====
EQUITY AND LIABILITIES		
Share Capital	3,554,366	3,669,034
Reserves	7,038,048	6,559,345
Treasury Shares, at cost	(235,710)	(390,148)
	-----	-----
Equity attributable to Owners of the Parent	10,356,704	9,838,231
Non-Controlling Interests	268,078	284,912
	-----	-----
TOTAL EQUITY	10,624,782	10,123,143
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued

	UNAUDITED	AUDITED
	As at	As at
	30.9.2013	30.6.2013
		(Restated)
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Deferred Taxation	2,191,858	2,131,234
Borrowings	21,662,929	20,918,408
Grants and Contributions	323,212	295,774
Post-employment benefit obligations	613,360	566,311
Derivative Financial Instruments	13,247	16,262
Payables	397,828	270,803
	-----	-----
	25,202,434	24,198,792
	-----	-----
Current Liabilities		
Payables and Accrued Expenses	2,195,045	2,425,850
Derivative Financial Instruments	38,324	61,282
Post-employment benefit obligations	1,072	1,625
Taxation	277,727	249,961
Borrowings	1,652,948	1,878,672
	-----	-----
	4,165,116	4,617,390
	-----	-----
TOTAL LIABILITIES	29,367,550	28,816,182
	-----	-----
TOTAL EQUITY AND LIABILITIES	39,992,332	38,939,325
	=====	=====
Net Assets Per 50 Sen Share (RM)	1.52	1.43
	====	====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the financial statements

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	----- Attributable to Owners of the Parent -----							
	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 July 2013	3,669,034	3,045,330	(3,155,068)	(390,148)	6,834,896	10,004,044	284,937	10,288,981
Effect of changes in accounting policy	-	-	6,563	-	(172,376)	(165,813)	(25)	(165,838)
At 1 July 2013, as restated	3,669,034	3,045,330	(3,148,505)	(390,148)	6,662,520	9,838,231	284,912	10,123,143
Profit for the period	-	-	-	-	234,822	234,822	854	235,676
Other comprehensive income	-	-	514,124	-	-	514,124	11,931	526,055
Total comprehensive income for the period	-	-	514,124	-	234,822	748,946	12,785	761,731
Dividends paid to non-controlling interests	-	-	-	-	-	-	(29,619)	(29,619)
Issue of share capital	10,332	14,672	-	-	-	25,004	-	25,004
Shares repurchased	-	-	-	(257,812)	-	(257,812)	-	(257,812)
Cancellation of shares	(125,000)	(412,250)	125,000	412,250	-	-	-	-
Provision for share options	-	-	2,335	-	-	2,335	-	2,335
Warrants reserves	-	2,066	(2,066)	-	-	-	-	-
At 30 September 2013	3,554,366	2,649,818	(2,509,112)	(235,710)	6,897,342	10,356,704	268,078	10,624,782

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

	----- Attributable to Owners of the Parent -----						Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 1 July 2012	3,664,128	3,037,384	(3,223,816)	(119,972)	5,901,984	9,259,708	373,583	9,633,291
Effect of changes in accounting policy	-	-	-	-	(254,499)	(254,499)	-	(254,499)
At 1 July 2012, as restated	3,664,128	3,037,384	(3,223,816)	(119,972)	5,647,485	9,005,209	373,583	9,378,792
Profit for the period	-	-	-	-	252,806	252,806	(959)	251,847
Other comprehensive income	-	-	177,971	-	-	177,971	(16,104)	161,867
Total comprehensive income for the period	-	-	177,971	-	252,806	430,777	(17,063)	413,714
Dividends paid to non-controlling interests	-	-	-	-	-	-	(29,807)	(29,807)
Issue of share capital	3,417	4,851	-	-	-	8,268	-	8,268
Provision for share options	-	-	2,432	-	-	2,432	-	2,432
Warrant reserve	-	683	(683)	-	-	-	-	-
At 30 September 2012, as restated	3,667,545	3,042,918	(3,044,096)	(119,972)	5,900,291	9,446,686	326,713	9,773,399

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	CURRENT YEAR-TO-DATE 30.9.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.9.2012 RM'000
Cash flows from operating activities		
Profit for the period	235,676	251,847
Adjustment for:		
Allowance for impairment of receivables (net of reversals)	42,866	13,885
Allowance for impairment of investment in associates	23,952	-
Allowance for inventories obsolescence	13,864	3,143
Amortisation of grants and contributions	(3,178)	(2,848)
Amortisation of intangible assets	8,839	-
Depreciation of property, plant and equipment	313,576	306,185
Gain on disposal of investments	-	(7,662)
Interest expense	196,964	201,519
Interest income	(3,302)	(4,862)
Provision for post-employment benefit	14,807	13,782
Provision for liabilities and charges	504	-
Share of profits of associates	(84,854)	(83,443)
Taxation	13,603	62,500
Unrealised loss/(gain) on foreign exchange	72,305	(16,013)
Other non-cash items	5,135	(7,265)
	-----	-----
	850,757	730,768
Changes in working capital:		
Inventories	21,163	(32,255)
Receivables, deposits and prepayments	205,867	40,792
Payables and accrued expenses	(260,826)	(31,580)
	-----	-----
Cash generated from operations	816,961	707,725
Interest paid	(207,110)	(175,943)
Payment to retirement benefit scheme	(14,622)	(13,889)
Tax paid	(83,676)	(94,734)
	-----	-----
Net cash flow from operating activities	511,553	423,159
	-----	-----
Cash flows from investing activities		
Dividends received	75,299	68,280
Grants received	10,083	7,519
Interest received	7,315	2,901
Purchase of property, plant and equipment	(312,338)	(292,527)
Proceeds from disposal of investments	-	16,957
Proceeds from redemption of investment in loan stock	54,900	-
Other investing activities	(737)	(1,475)
	-----	-----
Net cash flow used in investing activities	(165,478)	(198,345)
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the financial statements

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013 -- Continued**

	CURRENT YEAR-TO-DATE 30.9.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.9.2012 RM'000
Cash flows from financing activities		
Dividends paid to non-controlling interests	(29,619)	(29,807)
Proceeds from borrowings	-	837,390
Proceeds from issue of shares	25,003	8,268
Repayment of borrowings	(557,804)	(516,347)
Repurchase of own shares	(257,812)	-
	-----	-----
Net cash flow (used in)/from financing activities	(820,232)	299,504
	-----	-----
Net changes in cash and cash equivalents	(474,157)	524,318
Effects of exchange rate changes	354,606	(22,837)
Cash and cash equivalents at beginning of the period	9,552,134	9,552,771
	-----	-----
Cash and cash equivalents at end of the period <i>[Note a]</i>	9,432,583	10,054,252
	=====	=====

[Note a]

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

	RM'000	RM'000
Fixed deposits	9,102,501	9,650,016
Cash and bank balances	374,645	404,236
Bank overdrafts (included within short term borrowings in [Note B9])	(44,563)	-
	-----	-----
	9,432,583	10,054,252
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 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 year ended 30 June 2013.

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 2013.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on or after 1 July 2013 do not have significant financial impact on the Group except for the effects of the adoption of the following MFRSs:

Amendment to MFRS 116: “Property, Plant and Equipment”

Amendment to MFRS 116 clarify that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventories. Previously, MFRS 116 states that spare parts, stand-by equipment and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed.

Upon adoption of Amendment to MFRS 116, the Group reclassified retrospectively spare parts, stand-by equipment and servicing equipment previously accounted for under inventories to property, plant and equipment.

Amendment to MFRS 119: “Employee Benefits”

Amendment to MFRS 119 makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach but immediate recognition in other comprehensive income in the financial period in which they occur.

The adoption of Amendment to MFRS 116 and Amendment to MFRS 119 resulted in a change in accounting policy and has been accounted for in accordance with MFRS 108: “Accounting Policies, Changes in Accounting Estimates and Errors”.

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

Notes – continued

The financial statements for the previous financial periods have been restated as follows:

Group	As previously reported RM'000	MFRS 116 Adjustment RM'000	MFRS 119 Adjustment RM'000	As restated RM'000
As at 1 July 2012				
Statement of financial position				
<u>Non-current assets</u>				
Property, plant and equipment	17,258,872	22,054	-	17,280,926
<u>Current assets</u>				
Inventories	547,670	(22,054)	-	525,616
<u>Non-current liabilities</u>				
Post-employment benefit obligations	361,850	-	330,584	692,434
Deferred taxation	2,374,003	-	(76,085)	2,297,918
<u>Equity</u>				
Retained earnings	5,901,984	-	(254,499)	5,647,485
As at 30 June 2013				
Income statement				
Cost of sales	(13,372,401)	-	(11,893)	(13,384,294)
Taxation	(284,664)	-	2,732	(281,932)
Statement of comprehensive income				
Income				
Other comprehensive income				
- actuarial gain, net of tax	-	-	92,299	92,299
- currency translation differences	(105,974)	-	5,521	(100,453)
Statement of financial position				
<u>Non-current assets</u>				
Property, plant and equipment	17,283,670	22,738	-	17,306,408
Investment in associates	1,718,840	-	13,065	1,731,905
<u>Current assets</u>				
Inventories	526,325	(22,738)	-	503,587
<u>Non-current liabilities</u>				
Post-employment benefit obligations	333,965	-	232,346	566,311
Deferred taxation	2,184,677	-	(53,443)	2,131,234
<u>Equity</u>				
Currency translation reserve	(1,195,219)	-	6,563	(1,188,656)
Retained earnings	6,834,896	-	(172,376)	6,662,520
Non-controlling interests	284,937	-	(25)	284,912

INTERIM FINANCIAL REPORT

Notes – continued

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 2013.

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

During the current financial quarter, there was no item of an 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.

A5. Changes in Debt and Equity Securities

The numbers of ordinary shares of RM0.50 each issued during the current financial quarter and financial year to date pursuant to the exercise of Warrants 2008/2018 were 20,664,018 at a weighted average exercise price of RM1.21 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 149,907,700 ordinary shares of RM0.50 each were repurchased from the open market for a total consideration of RM257,812,294 for the current financial quarter and financial year to date. The share buyback transactions were financed by internally generated funds. The shares purchased are being held as treasury shares. A total of 250,000,000 treasury shares amounting to RM412,250,000 were cancelled during the current financial quarter. As at 30 September 2013, the number of treasury shares held were 135,729,345 ordinary shares of RM0.50 each.

Medium Term Notes of the Company and its subsidiary company amounting to RM500 million in total was fully settled during the current financial year to date.

The outstanding debts are as disclosed in Note B9.

INTERIM FINANCIAL REPORT

Notes – continued

A6. Dividends Paid

There was no dividend paid during the current financial quarter.

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 period ended 30 September 2013:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Mobile broadband network RM'000	Investment holding activities RM'000	Group RM'000
External Revenue	298,438	2,752,297	691,094	217,830	21,473	3,981,132
Inter- segment Revenue	-	-	-	147	27,675	27,822
Segment profit / (loss) before tax	60,611	153,081	194,857	(49,774)	(109,496)	249,279

Segment information for the financial period ended 30 September 2012:

	Power generation (Contracted) RM'000	Multi utilities business (Merchant) RM'000	Water & sewerage RM'000	Mobile broadband network RM'000	Investment holding activities RM'000	Group RM'000
External Revenue	263,273	3,162,777	632,633	101,713	18,729	4,179,125
Inter- segment Revenue	-	-	-	95	275,670	275,765
Segment profit/ (loss) before tax	51,155	203,226	146,027	(60,728)	(25,333)	314,347

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Notes – continued

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.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations except for the followings:

- (i) On 29 July 2013, the Company subscribed for 68 ordinary shares, representing 68% of the issued and paid-up share capital of SIPP Power Sdn Bhd (“SIPP Power”) at par value of RM1.00 per share. As a result, SIPP Power has become a subsidiary of the Company. On 30 July 2013, the Company acquired another 2 ordinary shares in SIPP Power resulting in SIPP Power becoming a 70%-owned subsidiary of the Company.

SIPP Power was incorporated on 9 July 2013 and presently has an authorized share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM100.00 comprising 100 ordinary shares of RM1.00 each. SIPP Power will be principally involved in developing, constructing, completing, maintaining and operating power plants.

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 2013 except for an additional corporate guarantee which was given by the Company to a financial institution for additional banking facilities of RM65 million granted to a subsidiary.

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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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30.9.2013				
Assets				
Financial assets at fair value through profit and loss:				
- Trading derivatives	-	8,828	-	8,828
Available-for-sale	52,231	137,366	4,601	194,198
Derivatives used for hedging	-	27,148	-	27,148
Total assets	52,231	173,342	4,601	230,174
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	4,480	-	4,480
Derivatives used for hedging	-	47,091	-	47,091
Total liabilities	-	51,571	-	51,571

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:

	Individual Quarter		Cumulative Quarter	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Revenue				
Power generation (Contracted)	298,438	263,273	298,438	263,273
Multi utilities business (Merchant)	2,752,297	3,162,777	2,752,297	3,162,777
Water & sewerage	691,094	632,633	691,094	632,633
Mobile broadband network	217,830	101,713	217,830	101,713
Investment holding Activities	21,473	18,729	21,473	18,729
	<u>3,981,132</u>	<u>4,179,125</u>	<u>3,981,132</u>	<u>4,179,125</u>
Profit/(Loss) before taxation				
Power generation (Contracted)	60,611	51,155	60,611	51,155
Multi utilities business (Merchant)	153,081	203,226	153,081	203,226
Water & sewerage	194,857	146,027	194,857	146,027
Mobile broadband network	(49,774)	(60,728)	(49,774)	(60,728)
Investment holding Activities	(109,496)	(25,333)	(109,496)	(25,333)
	<u>249,279</u>	<u>314,347</u>	<u>249,279</u>	<u>314,347</u>

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded a revenue of RM3,981.1 million for the current financial quarter ended 30 September 2013 as compared to RM4,179.1 million recorded in the preceding year corresponding quarter ended 30 September 2012. The Group profit before taxation for the current financial quarter was RM249.3 million, a decrease of RM65.0 million as compared to RM314.3 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the quarter ended 30 September 2013 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)

The increase in revenue and profit before taxation was principally due to higher generation of electricity sales in the current quarter as compared to that recorded in the preceding year corresponding quarter which recorded a lower generation quantity resulting from a curb on gas supply.

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Multi utilities business (Merchant)

The lower revenue is principally due to lower units of electricity sold and trading volume coupled with lower electricity price as a result of lower fuel oil price. The lower profit before taxation is mainly due to lower vesting non-fuel margin and volume and lower retail non-fuel margin.

Water & sewerage

The increase in revenue and profit before taxation is due to the increase in price as allowed by the regulator.

Mobile broadband network

The continuous growth in its subscriber base has resulted in an increase in the revenue and lower losses accorded in this segment.

Investment holding activities

The decrease in profit before taxation was principally due to provision for impairment of investment in associate and unrealised foreign exchange losses.

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2013 RM'000	Preceding Quarter 30.6.2013 RM'000
Revenue	3,981,132	3,905,739
Consolidated profit before taxation	249,279	332,840
Consolidated profit after taxation	235,676	283,140

The decrease in Group profit before taxation as compared to the preceding quarter was principally attributable to allowance for impairment of investment in associate and unrealised foreign exchange losses.

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B3. Prospects

Power generation (Contracted)

YTL Power Generation is expected to perform satisfactorily as it operates under a regulatory regime.

Multi utilities business (Merchant)

The increase in generation capacity into the electricity market of Singapore would add pressure to both margin and sales volume for the current financial year. Nevertheless, this segment would continue to strive to diversify beyond their core business into integrated multi-utilities energy platform with focus on customer service.

Water & sewerage

The Company operates under strict regulatory regime and has met all of its regulatory targets and is top of the regulator's league table for customer service. Hence, the management is confident of delivering its 2010-15 regulatory outperformance target. The Company has a long term planning horizon to ensure that water resources are going to be available in the future.

Mobile broadband network

Despite the challenging market in the telecommunications industry, this business segment is expected to continuously grow its subscriber base to generate higher revenue by introducing improved and innovative services to the market.

B4. Profit Forecast

The Group did not issue any profit forecast during the financial period.

B5. Audit Report of the preceding financial year ended 30 June 2013

The Auditors' Report on the financial statements of the financial year ended 30 June 2013 did not contain any qualification.

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B6. Profit for the period

	Current Year Quarter 30.9.2013 RM'000	Current Year To Date 30.9.2013 RM'000
Profit before taxation is stated after charging/(crediting):		
Allowance for impairment of receivables (net of reversal)	42,866	42,866
Allowance for inventories obsolescence	13,864	13,864
Allowance for impairment of investment in associates	23,952	23,952
Amortisation of grant and contributions	(3,178)	(3,178)
Amortisation of intangible assets	8,839	8,839
Depreciation of property, plant and equipment	313,576	313,576
Net gain on disposal of property, plant and equipment	(461)	(461)
Interest income	(3,302)	(3,302)
Interest expense	196,964	196,964
Loss on foreign exchange	70,565	70,565
	=====	=====

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

B7. Taxation

	Current Year Quarter 30.9.2013 RM'000	Current Year To Date 30.9.2013 RM'000
In respect of current period		
- Income Tax	93,154	93,154
- Deferred Tax	(79,551)	(79,551)
	-----	-----
	13,603	13,603
	=====	=====

The lower effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year to date is mainly attributable to reduction of corporate tax rate in United Kingdom and a tax refund registered by a foreign subsidiary.

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B8. Corporate Proposals

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

B9. Group Borrowings and Debt Securities

The Group's borrowings from financial institutions as at 30 September 2013 are as follows:

	Short term		Long term		Total
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	RM'000
Secured	-	1,272	-	1,284	2,556
Unsecured	649,975	1,001,701	11,816,736	9,844,909	23,313,321
	-----	-----	-----	-----	-----
Total	649,975	1,002,973	11,816,736	9,846,193	23,315,877
	=====	=====	=====	=====	=====

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

In US Dollar ('000)	397,717
	=====
In Sterling Pound ('000)	1,910,705
	=====
In Singapore Dollar ('000)	2,570,941
	=====

All borrowings of subsidiaries are on a non-recourse basis to the Company save and except for the following which is guaranteed by the Company:

- USD200 million term loan due on 17 December 2015.
- USD200 million term loan due on 30 June 2015.
- RM300 million revolving credit due on 20 December 2013.
- RM200 million revolving credit due on 20 December 2013.
- RM200 million revolving credit due on 29 November 2013.
- RM200 million revolving credit due on 2 December 2013.

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

(a) Derivative Financial Instruments

As at 30 September 2013, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil swaps</u>		
- Less than 1 year	2,446,578	2,440,105
- 1 year to 3 years	351,893	344,747
<u>Currency forwards</u>		
- Less than 1 year	1,642,543	1,645,899
- 1 year to 3 years	414,445	417,202
<u>Interest rate swaps</u>		
- 1 year to 3 years	364,388	356,300

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.

Interest rate swaps are entered to hedge floating rate interest payments on bank borrowings which were obtained to finance the construction of property, plant and equipment.

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

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(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial period ended 30 September 2013 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current year quarter 3 months to 30.9.2013	Current year to date 3 months to 30.9.2013
			RM'000	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	(3,262)	(3,262)
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of the Group	4,337	4,337
Total			1,075	1,075

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(c) Realised and Unrealised Profits or Losses

	As at 30.9.2013 RM'000	Audited As at 30.06.2013 (Restated) RM'000
Retained earnings/(Accumulated losses) of the Company and its subsidiaries		
- Realised	7,537,850	7,359,246
- Unrealised	(1,594,786)	(1,608,902)
	----- 5,943,064	----- 5,750,344
Retained earnings/(Accumulated losses) from associated companies		
- Realised	668,936	664,665
- Unrealised	(106,222)	(121,383)
	----- 562,714	----- 543,282
Consolidation adjustments	391,564	368,894
	-----	-----
Total Group retained earnings as per consolidated accounts	6,897,342	6,662,520
	=====	=====

B11. Pending Material Litigation

There was no material litigation pending since the last financial year ended 30 June 2013.

B12. Dividend

No dividend has been declared for the current financial quarter.

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B13. Earnings Per Share

i) Basic Earnings Per 50 sen Share

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

	Current Year Quarter 30.9.2013	Preceding Year Corresponding Quarter 30.9.2012
Profit attributable to Owners of the Parent (RM'000)	234,822 =====	252,806 =====
Weighted average number of ordinary shares ('000)	7,073,025 =====	7,276,395 =====
Basic earnings per share (Sen)	3.32 =====	3.47 =====

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ii) Diluted Earnings Per 50 sen Share

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

	Current Year Quarter 30.9.2013	Preceding Year Corresponding Quarter 30.9.2012
Profit attributable to Owners of the Parent (RM'000)	234,822 =====	252,806 =====
<i>Weighted average number of ordinary shares ('000) – diluted</i>		
Weighted average number of ordinary shares ('000) – basic	7,073,025	7,276,395
Effect of unexercised Warrants 2008/2018	330,063	378,704
Effect of unexercised ESOS	13,363 -----	19,830 -----
	7,416,451 =====	7,674,929 =====
Diluted earnings per share (Sen)	3.17 =====	3.29 =====

* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS is RM1,283.2 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM1,283.2 million resulting in a decrease in NA per share of RM0.04. 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: 21 November 2013